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NEWS SUMMARY

GENERAL

Immunity granted at fire inquest

Immunities from prosecution on charges short of arson, murder or perjury had been granted to witnesses testifying at the Deptford fire inquest into the deaths of 13 partygoers, coroner Dr. A. G. Davies said when the hearing opened yesterday in the GLC council chamber in County Hall, London.

He was refusing the application by lawyer Michael Mansfield, representing the families of four of the dead, to see in advance statements made to police. A forensic expert believed paint thinners on a carpet were ignited. He discounted a suspect incendiary device found outside the South London house.

Ten jurors, including four coloured people, were sworn in. Outside scores of black demonstrators carried banners issued by the New Cross Massacre Action Committee.

Cost of violence

In Monday's violence involving hundreds of black youths at Finsbury Park, Ealing Common, Wanstead and Forest Gate more than 100 people were arrested, more than 50 police injured, and 35 members of the public, four of whom were detained in hospital, were injured.

● Indian community leaders urged Home Secretary Whitelaw to ban the New National Front's planned march in Ealing on Saturday.

Seaside arrests

Arrest totals from among the thousands of mods, skinheads, punks and rockers who invaded seaside resorts at Easter included: Southend and Brighton more than 100 and 40 respectively, Scarborough 92, Weston-super-Mare 17.

Leaflets inquiry

Police are investigating the origin of anti-police, right-wing leaflets from the British Movement and the neo-Nazi November 9 Society carried by youths who invaded Southend at Easter.

Betjeman better

Poet Laureate Sir John Betjeman, 75, was recovering in Sheffield's Royal Hallamshire Hospital after a mild stroke.

Lebanon toll

Artillery battles in South Lebanon and Beirut took the casualty toll in the past 48 hours' fighting to 33 dead and about 110 injured. Page 3

Air disruption

Italian air-traffic controllers will stop work for four hours tomorrow and all day on April 30 over a pay claim.

Durban explosion

Power supplies to hundreds of Durban factories and homes were disrupted after saboteurs damaged an electricity station. Damage was estimated to be R2.5m (£1.4m). Page 2

Submarine row

The U.S. Navy accepted liability for the accident in which a nuclear submarine collided with and sank a Japanese freighter in the East China Sea. But Japan said the U.S. had not explained events to its satisfaction.

Easter egg laid

An osprey at the Royal Society for the Protection of Birds' Loch Garten reserve laid an egg, the first of the year, on Easter Monday.

Briefly . . .

The Queen celebrated her 55th birthday yesterday at Windsor.

Uganda Airlines cancelled all flights, on Vice-President Muwanga's orders.

BUSINESS

Equities off 2.4; sterling improves

● EQUITIES faltered after the pre-Easter surge, with the FT 30-share index down 2.4 at 566.1. Page 36

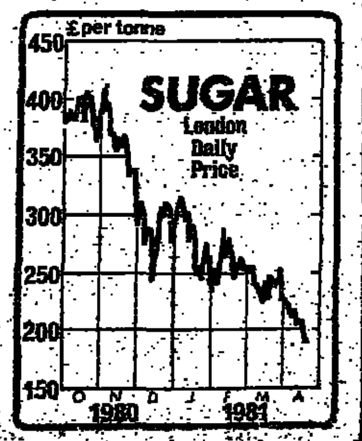
● GILTS gained ground in thin trading, with the Government Securities Index up 0.21 at 69.44. Page 36

● STERLING improved, closing at \$2.1585 (\$2.1540), DM 4.72 (DM 4.71) and FFr 11.1550 (FFr 11.1150). Its trade-weighted index was 99.2 (98.8). Page 29

● DOLLAR closed in London at DM 2.1850 (DM 2.1865), SwFr 1.9930 (SwFr 1.9925) and Y218.4 (Y217.1). Its trade-weighted index was unchanged at 103.0. Page 29

● GOLD rose \$2 to \$484.5 in London. Page 29

● SUGAR prices rallied after falling to one-year lows early



yesterday. The London daily raw price was fixed at £185 a tonne. Page 35

● WALL STREET was down 2.97 at 1,012.97 before the close. Page 34

● BRITISH INDUSTRY has improved its financial position in the recession because the sharp fall in income has been balanced by heavy destocking. Back Page

● BRITISH RAIL plans to enter the industrial and consumer goods distribution market, traditionally dominated by road haulage. Back Page; Details, Page 7

● NATIONAL COAL BOARD sales fell 7.3m tonnes in 1980/81 compared with the previous year. Page 8

● ICI plans two separate plants in Cleveland for methanol and ammonia production after scrapping its methamm project for single plant output. Page 7

● BERGER PAINTS halted supplies to Tesco of Magicote white emulsion paint after allegations that it had been used as a loss leader. Page 9

● AUSTRALIA may take action under the General Agreement on Tariffs and Trade over subsidised EEC beef exports. Page 6

● SHELL AUSTRALIA'S attempt to buy into two Queensland coal projects controlled by CSR was frozen for 90 days by the Australian Government. Page 33

● CITICORP, the biggest U.S. bank, reported first quarter income before securities transactions of \$97m (£45m), up 17 per cent on the same quarter last year.

● CURRYS, electrical appliance retailer, reported pre-tax profits of £12.28m (£11.9m) for the year to January 28. Page 24; Lex, Back Page

● W. H. SMITH and Son (Holdings) reported pre-tax profits down from £19.08m to £16.13m for the year to end-January. Page 24; Lex; Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exch. 13½pc 1994	£97⁹⁄₁₆	+ ⅛
Arenson (A.)	44	+ 3
Bank of Ireland	305	+ 10
Barr (A. G.)	175	+ 31
Brentnall Beard	24	+ 3
British Dredging	37	+ 9
Caird (Dundee)	13	+ 3
Currys	333	+ 20
Elec. and Ind. Secs.	116	+ 6
Elliott (B.)	203	+ 9
Elys (Wimbledon)	340	+ 25
English China Clays	127	+ 5
ICI	288	+ 4
Land Securities	422	+ 6
Lawrence (W.)	134	+ 10
Lister	49	+ 6
Marchwiel	144	+ 15
Midland Inds.	92	+ 16
Vinten	266	+ 12
Wilson (Connolly)	242	+ 16
Yorkshire Chemicals	43	+ 3
York Trailer	17	+ 2
Cons. Plantations Warrants	167	+ 27
Highlands & L'lands	83	+ 12
Kuala Lumpur Kepong	143	+ 17
Cons. Murchison	260	+ 20
Gold Fields of S.A.	£35¼	+ 3¼
West Drie.	£37	+ 2⅜

FALLS

Anchor Chemical	62	− 4
Bowater	275	− 9
British Aerospace	214	− 7
De La Rue	680	− 15
Ferranti	555	− 13
GKN	170	− 8
Rothmans	77	− 9
Tozer Kemsley	55	− 8
Tricentrol	256	− 12

Oil price pressures cause 'critical' problem for OPEC

BY RAY DAFTER, ENERGY EDITOR

THE EROSION of high oil prices is gathering pace as a result of weak demand worldwide and a surplus of supplies.

Kuwait has been forced to drop its demands for an extension of premium payments that it had been charging some Western oil companies. Saudi Arabia has cut by \$2 a barrel—to \$34—the price of 600,000 barrels a day of war relief crude oil sold to countries affected by the Iranian-Iraqi conflict. International spot prices for crude oil and products have continued to fall, in some cases to the lowest levels since last summer.

Dr. Humberto Calderon Berti, the Venezuelan Energy Minister, said yesterday that the present supply surplus had created a critical situation for the Organisation of Petroleum Exporting Countries.

Even so, he said, Venezuela was not planning to lower its prices. The countries that had reduced tariffs had been selling oil above the rates determined by OPEC at its December ministerial meeting in Bali, Indonesia. These countries include Equador (a minor member of OPEC), Mexico and Malaysia.

A number of American companies have just reduced the price of U.S. Rocky Mountain heavy crude oil by \$1 a barrel. In the North Sea, British National Oil Corporation is watching carefully the weakening market for high quality, light crude oil. But it is unlikely to suggest price cuts unless other producers of similar crude—Nigeria, Libya and Algeria—first lower their contract rates. Nigeria recently lost one of its major customers, Atlantic Richfield, which said it could obtain cheaper supplies elsewhere.

Pressures for further price cuts—or at least a price freeze when OPEC Ministers meet in Geneva on May 25 — have grown as a result of the latest developments:

● Kuwait has almost completed negotiations for the sale of oil to three major Western companies — British Petroleum, Royal Dutch/Shell, and Gulf Oil. Unofficial reports suggest that each company is to be offered 50,000 barrels a day at the Government selling price of \$35.50. The amount will be significantly less than has been lifted by the three companies in recent months but it seems the supplies will be free from premium surcharges.

According to London Oil Reports, an industry newsletter, Kuwait had initially offered each company 37,500 b/d at the official price and 37,500 b/d at a premium of \$2 a barrel, although volumes could be smaller in an official selling price compromise.

Over the past year, Kuwait has charged a premium of \$5.50 for some of its supplies.

BP said yesterday that the negotiations were heading towards a "satisfactory" conclusion. The company had been asked to renegotiate a 75,000 b/d contract which had 18 months to run.

Shell and Gulf would not comment. Shell has been lifting

Continued on Back Page

KUWAIT will make an interest-free loan of \$2bn (£930m) to Iraq to aid recovery from war damage in the fighting with Iran and losses from severe cuts in oil exports. Back Page.

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Thatcher praises Saudi stance, Page 3
Worry over Saudi glut, Page 7

Government may meet civil servants on pay

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT and the civil service unions made informal contact yesterday on the prospects for a meeting to consider government proposals for a new pay system for the Civil Service. A meeting would break the deadlock in the dispute, now in its seventh week.

There were telephone calls between the Civil Service Department and Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions. These followed a hint by Civil Service Department Ministers in parliamentary statements last week of possible flexibility in future negotiations against the background of cash limits for the service.

Loard Soames, the Lord President of the Council, is understood to be surprised that the unions have not been more eager to explore the possibilities in talks.

However, the unions told the CSD yesterday they were not prepared to attend talks unless they knew the Government had something positive to say.

CSD officials suggested instead that the unions attend talks to hear the Government's proposals.

Mr. Kendall said last night: "I am prepared to talk, but I'm not going along to talk about the weather." The unions want to be able to examine the Government's proposals privately, if only briefly, in the traditional manner of civil service talks, before what may then turn out to be full-scale negotiations.

Although both sides recognise the propaganda element of offering their readiness to talk, the informal contact is important because it may well preface the first talks since March 3.

The subjects likely to be discussed immediately are some limited form of arbitration, and some proposals for pay settlement from 1983 onwards.

CSD officials welcomed yesterday's decision by the council's major policy committee not to extend for the moment the campaign of strikes into such sensitive areas as Department of Employment and Department of Health and Social Security benefits, or to step up selective action

The council's statement on the committee's decision emphasised unity among the unions and a commitment to the existing strategy and objectives, but union leaders are divided on the progress of the campaign.

A number of officials felt strikes ought to be extended—not just to put further pressure on the Government, but also because they feared that otherwise membership support for the already-long campaign might begin to flag.

A public indication of the dissatisfaction of some unions came from a local official at London's Heathrow Airport. Mr. Dave Edwards, branch secretary of the union representing customs and immigration staff who took action over the Easter holiday, said: "We are not happy with the results of our action and we will be meeting to decide whether to carry on."

Pickets were placed yesterday on Horfield Prison, in Bristol, after eight administrative officers, members of the Civil and Public Services Association, were pulled out on strike.

Banks face new stoppage threat, Back Page

Amex merger deal worth \$800m

BY DAVID LASCELLES IN NEW YORK

AMERICAN EXPRESS and Shearson Loeb Rhoades, one of the leadinf firms on Wall Street, confirmed plans yesterday to merge in a deal worth more than \$800m, making it by far the largest of its kind.

It will create a giant in the financial services business able to offer stockbroking, credit and banking services to clients in more than 100 countries.

The deal, which was foreshadowed by an announcement on Monday, marks a further major shake-up in Wall Street after last month's \$385m meregr between the Prudential Insurance Company and Bache, another leading broker.

It is also an important strategic step by American Express, whose worldwide domination of the credit card and travellers' cheque business is being challenged by powerful new competitors.

In a joint announcement Mr. James Robinson, chairman of American Express, and Mr. Sanford Weill, Shearson's chairman, said: "The proposed transaction will enhance the full range of financial services both companies offer to their clients throughout the world."

Shearson would become an independently - operated subsidiary of American Express, but Amex officers would join its Board, and Mr. Weill would become chairman of American Express' executive committee.

Terms of the deal provide for a tax-free merger in which American Express will offer 1.3 of its shares for every Shearson share.

The number of Shearson shares issued is 15.6m. At American Express trading price yesterday of \$41½, this gives the deal a total value of just over \$840m.

In addition American Express has the option to buy up to 2.5m Shearson shares at \$56 each in cash.

A product of the merger is expected to be a cash management account of the kind successfully pioneered by Merrill Lynch. These accounts, available to well-heeled individuals, combine the advantages of credit cards, money market funds and stockbroking services.

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Fisher gives support to Benn

By John Lloyd, Labour Correspondent

MR. TONY BENN'S chances of becoming the deputy leader of the Labour Party improved greatly yesterday.

Mr. Alan Fisher, general secretary of the National Union of Public Employees, said his union — the Labour Partiy's fourth largest affiliate with 600 votes—would be likely to support Mr. Benn in a straight fight with Mr. Denis Healey and he would personally back Mr. Benn.

Mr. Fisher's support is important because he is the first national union leader to extend it after a chorus of disapproval over Mr. Benn's candidature. There could be a bandwagon effect on other unions.

A speech by Mr. Fisher delivered to the Scottish Trades Union Congress, before he made his comments on Mr. Benn, caused an instant and bitter row between senior trade union leaders present, in which the issue of Mr. Benn's candidature was deeply enmeshed.

Mr. Fisher, giving the fraternal address to the STUC as this year's chairman of Britain's TUC, stepped outside the normal conventions of such an address by launching an attack on the last Labour Government. He decried calls for unity made by Miss Helen Lidell, the Scottish Labour Party secretary, on the previous day, and insisted that the struggle for left wing policies and accountability in the party must go on.

The speech was directed at Mr. Michael Foot, the Labour leader, who has made constant pleas for unity and who addresses the conference today. Mr. Fisher said afterwards that the "message for Foot is that we have to sort out the way the Labour Government puts forward its policies."

Mr. Fisher's was immediately followed by Mr. Clive Jenkins, general secretary of the Association of Scientific Technical and Managerial Staffs, who angrily disassociated himself from Mr. Fisher's remarks, criticised him for making them as a fraternal delegate and said "the important thing is to achieve political power—I don't want to see a tiny sterile Labour party."

Other senior TUC figures later expressed similar annoyance. Mr. Fisher, however, received overt support later in the conference from Mr. Michael McGahey, the president of the Scottish National Union of Mine-

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Hopes of the Labour movement, Page 10

Thatcher refuses to discuss Sands with Irish MPs

BY STEWART DALBY IN BELFAST AND RICHARD EVANS IN ABU DHABI

THE PRIME MINISTER yesterday rebuffed the three Irish MPs who have asked to see her following their weekend visit to IRA hunger striker Mr. Bobby Sands, MP, said to be near death in the Maze Prison, Belfast.

It is feared that Sands' death could trigger a fresh wave of violence in Northern Ireland and give the IRA an opportunity to proclaim him a martyr, and label Mrs. Thatcher intransigent.

This firm stand seems to rule out any concessions to Mr. Sands, recently elected as MP for Fermanagh and South Tyrone, and could cause difficulties between the British and Irish governments.

The three MPs expressed dismay and disappointment that Mrs. Thatcher says she will not see them, but the decision was welcomed by Protestant leaders who were outraged that the MPs' visit to Sands was allowed.

Mrs. Thatcher's response to the MPs' request came during a Press conference in Riyadh at the end of her three-day visit to Saudi Arabia and shortly before her departure to the United Arab Emirates.

"It is not my habit or custom to meet the Members of Parliament of a foreign country about a citizen of the UK, resident in the UK," she said curtly.

She advised the MPs to make representations speedily through their own governments.

It seemed she was prepared for the question and had considered the issue carefully, although she had not been in contact with either Mr. William Whitelaw, Home Secretary and deputy Prime Minister, or Mr. Humphrey Atkins, Northern Ireland Secretary.

The implication of her comments was clear—under no circumstances would the Government give Sands the political status he has repeatedly demanded before he would be prepared to give up his fast, now in it 53rd day.

"There can be no question of political status for someone who is serving a sentence for crime. Crime is crime is crime . . . it is not political, it is crime."

She hoped Sands would reconsider and abandon his hunger strike but she insisted that it was a matter for him.

In answer to another question she said there could be no possible concessions of political status. "To do so would put many people in jeopardy," she said.

Everyone knew the IRA prisoners were in jail for crimes (Sands is serving 14 years for firearm offences), but if there was an attempt to make their offences political "then everyone would go in fear."

The Prime Minister was also uncompromising on IRA demands for special clothing and optional work.

"They are trying to achieve the trappings of political status without calling it political status," she claimed.

Mrs. Thatcher added that the prison regime in Ulster was among the most liberal in the UK for those who abided by the rules, but any changes would have to affect everyone and be justified on the grounds of greater humanity. She was not prepared to concede special status to certain groups of people.

According to his family, Mr. Sands is getting weaker, and his eyesight has failed to the point where he is unable to read. He received the last rites on Saturday.

In Dublin, Dr. John O'Connell one of the three Irish MPs who visited Mr. Sands, said he was dismayed and disappointed at Mrs. Thatcher's abrupt refusal to see the MPs. Another of the three, Mr. Neil Blaney who is a European MP has left for Brussels where he hopes to arouse interest in the Sands case.

The other Irish MP Ms Sile de Valera, said she still felt a solution was possible. Mr. Sands had at no time mentioned political status.

She said 80 per cent of the hunger strikers' demands had already been met and it was perfectly possible to find a just and equitable solution to the other 20 per cent.

She advocated a form of special category status and hinted that Mr. Sands might come off the hunger strike if the remaining concessions were made.

"He is a young man and he wants to live," she said, "but he is also prepared to die if necessary."

Mr. Harold McCusker, the official Unionist MP for Armagh, has said that Mrs. Thatcher had "no possible alternative" but to refuse the Irish MPs' request. He said: "It's like allowing French Basque MPs to go down to Madrid to see Spanish terrorists and then expect to negotiate with the Spanish Prime Minister. It is none of their business."

Editorial comment, Page 22

£ in New York

	April 20	Previous
Spot	2.1645-1675	2.1550-1570
1 month	0.95-1.05 pm	0.95-1.00 pm
3 months	2.45-2.60 pm	2.30-2.40 pm
12 months	7.50-7.70 pm	7.10-7.30 pm

The Chirac campaign marathon gathers pace and appeal

BY DAVID WHITE IN PARIS

COGNAC, where Cognac comes from, had two big events over the Easter weekend: a pétanque tournament and the passing of the Chirac campaign marathon. The usual silence was broken by the clicking of the metal boules and, 100 yards away, a disco beat broadcast by loudspeakers in front of the Municipal Theatre. "Jacques Chi-rac, main-tenant, Pré-sident," went the lyrics.

While the other leading presidential candidates took a rest before the final week of first-round campaigning, M. Chirac was still on the road. The theatre was packed, and the applause spontaneous and prolonged.

It was a striking contrast with the early days of M. Chirac's electioneering two months ago. Speeding round the Gaullist strongholds of Corsica in a hair-raising motorcade, his cheerleaders had a hard time of it trying to raise a bit of enthusiasm.

Since then, M. Chirac's campaign has taken off more than any other. First the Giscardians and now the Socialists have had to turn their fire on him. After a feeble showing in the 1979 European election, Gaullist support has revived, and polls have given M. Chirac as much as 19 or 20 per cent, twice as much as his starting odds. By dint of repeating it, M. Chirac has convinced himself that he can challenge M. François Mitterrand for a place in the second round.

In Cognac, M. Chirac thumbed his nose at the Socialist candidate, who was born less than 10 miles away. France, he said, delivering a polished shorthand version of his best-tested campaign themes, needed a third path between a risky left-wing alternative (Scylla) and a President who had proved disappointing (Charybdis).

The state's influence and administrative constraints should be reduced. The nation should speak with a firmer voice. The only approach to unemployment was to create productive jobs. The whole social security system risked cracking up under the cost of unemployment benefits, and the young might end up revolting against the values of society.

● M. Jacques Chirac (right): a more controlled and thoughtful style

To make sure of winning the hearts of Cognac, M. Chirac spoke for a good five minutes on the esoteric topic of alcohol taxes.

The most popular of recent Agriculture Ministers (under President Georges Pompidou), M. Chirac has a lot of support among farmers. But his campaign also appeals to a broad section of the self-employed, small tradesmen and businessmen, and he has been trying to wean the aged away from President Giscard, digging a niche for himself among grumbling conservatives.

M. Chirac has forged a new style, less edgy and more controlled and thoughtful than before. He is as dynamic as ever, however, as, still suffering from a two-year-old car accident, he limps his way athletically from place to place, sustaining himself on sandwiches and the occasional bottle of beer.

Posters show M. Chirac's most engaging face, achieved by having the glass taken out of his spectacles and the photograph turned back-to-front. The slogans were calculated in advance to counter the two main charges against him: of fickleness, in the eyes of the Giscardians, or dangerous impetuosity, in the Left's view.

He makes full use of two strong footholds in the country, as Mayor of Paris, where his administrative record is advertised on the streets in defiance of campaign publicity rules, and as MP for Corrèze, deep in the rural centre.

A technocrat by training (a product of the élite post-graduate ENA college), he has worked hard recently at improving his public speaking and on reviving the populist side of Gaullism, as demonstrated in a 45,000-strong rally in Paris 10 days ago.

"Jacques Chirac," said M. Maurice Druon, a former Gaullist Culture Minister, at the start of the campaign, "is like a bicycle. He has to keep going to stay upright." But M. Chirac has vindicated himself against old Gaullist stalwarts like this, many of whom—supporters of rival candidate Michel Debré or of the Government—have broken with him.

M. Chirac took over the reformed Gaullist movement, the Rassemblement pour la République, in 1976, after resigning as Prime Minister for President Giscard, whom he had supported two years earlier against M. Jacques Chaban-Delmas, the official Gaullist candidate. The polls already show him outdoing the 15 per cent M. Chaban-Delmas scored in the first round.

Unlike M. Giscard or M. Mitterrand, the 48-year-old M. Chirac is now running for the first time. And, unlike them, he is likely to be there again in 1988. He is worth watching.

Italian Socialists in search of identity

By Rupert Cornwell in Rome

THE CONGRESS of the Italian Socialists Party, which opens in Palermo today, should both seal the unchallenged authority of Sig. Bettino Craxi, the party secretary, and provide vital pointers for the immediate future of Italian politics.

That Sig. Craxi will secure an endorsement unprecedented in the 100-year history of his factious, strife-torn party, is not in doubt. What is less clear is how he will use the opportunity it gives him to tackle the Socialists' age-old dilemma: whether to cast in their lot to the right, with the ruling Christian Democrats, or to consider seriously once again the idea of a "left-wing alternative" in alliance with the opposition Communists.

Palemo itself is bedecked to celebrate Sig. Craxi's triumph. A 50-foot symbol of a red carnation, the party emblem, stands on Monte Pellegrino, which dominates the city. Some 5,000 delegates, observers and sundry hangers-on have poured into the city, and Italy's entire Socialist Party political establishment is in attendance.

In the three years since the previous Socialist congress in Turin, the secretary has transformed the face of his party. After the narrowest of victories last time, Sig. Craxi and his "autonomous" right-wing faction now control 70 per cent of total delegate strength.

Dominant group

The left, on whose support Sig. Craxi had to rely to scrape through in Turin, has been almost routed. The main opposition (perhaps 18 or 20 per cent of the party) is today led by Sig. Riccardo Lombardi, a veteran left-winger. But there are now signs that even he might reach an accommodation with the dominant grouping.

Be that as it may, Sig. Craxi has since 1978 brought his opponents to heel in a remarkable fashion. Whereas before eight or nine factions were vying with each other in a party wrich represents less than 10 per cent of the electorate, today there are three, or at most four.

In that period, Sig. Craxi has suceeded in his fundamental aim of forging a separate socialist identity, distinct above all from the Communists, with whom his left-wing has always wanted to link in a modern form of "Popular Front."

To differentiate his party from the Communists, whose electoral support is three times as high, Sig. Craxi has had to adopt an uncomfortably Atlanticist foreign policy and portray his rivals in implausibly exaggerated terms, as mere creatures of Moscow.

The need to be different at all costs has also propelled the Socialists up some dangerous paths, above all their apparent readiness to deal with left-wing terrorists. There is, moreover, the perennial risk that in putting too much distance between themselves and the Communists they will leave too little between themselves and the Christian Democrats.

Avowed goal

So far, perhaps, so good. But Sig. Craxi, in his keynote address this afternoon, will be expected to indicate the next step towards his party's avowed goal of "renewing Italy."

The path he has chosen up to now would seem to offer one main outlet: that of a Socialist, presumably Sig. Craxi, as Prime Minister for the first time in Italian history, with behind him perhaps a coherent grouping of the smaller centrist "lay" patries, the Social Democrats, Republicans, Radicals and Liberals.

The obstacles to such a deal—in terms of personal and political jealousies particularly—are very great. But the pressures in the other direction, towards a close accommodation with the Communists, are emotionally, if not numerically, very important for a party which still professes to be of the left. The dilemma is reflected in Socialists uneasily keeping a Christian Democrat-dominated Government alive in Rome, and maintaining a host of Communist-led administrations in office in regions and cities throughout the country.

To that extent, therefore, the five days of public speeches and private negotiations this week in Palermo are likely to underline the basic truth of Italian politics: that every party, above all one like the Socialists which holds the balance of power, is conditioned less by its own decisions than by those of other parties.

POLISH MINISTER MAKES TENTATIVE PROPOSALS

Financial reform with Russia sought

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S Finance Minister, Mr. Marian Krzak, has suggested that financial relations between the Soviet Union and Poland should be reformed. His suggestions, at present ill-defined and tentative, would also affect currency relationships within the whole Eastern bloc.

Interviewed in the daily newspaper Zyciewarszawy, Mr. Krzak said that Poland owes the Soviet Union $1bn in hard currency and more than $1bn-worth of transferable roubles. The Polish deficit on trade between the two countries this year will reach Roubles 500m and the gap will widen for at least two more years, he added.

In future, however, Mr. Krzak said, prices in mutual trade would would have to be based on world prices and not on internal communist bloc rates as at present. This, he argued, would "enable us to export more services to the Soviet Union."

Exchange rates should also be adjusted to make them more "realistic." He also suggested that the formula for calculating the costs of common investment projects should be changed.

In the longer term, Mr. Krzak said the current reforms which were decentralising decision-making in the Polish economy would "force changes in currency relationships among the Socialist countries."

A large proportion of the trade within the Comecon group is based on barter. It is suggested that Polish enterprises—given that they win more independence from central—should be allowed to take payment in cash which may then be reserved for use in trade.

Mr. Krzak added that Soviet hard currency loans had played a key role in bringing Poland through the "critical period" before talks began with the Western governments and banks on rescheduling part of the country's $24bn foreign debt.

He also revealed that at the beginning of the year the Soviet Union lent Poland $190m to buy grain at an interest rate of 6 per cent. Moscow also provided the bulk of a $465m hard currency "gift" organised along with the other Eastern European countries. Furthrmore, it was selling goods "which are worth hard currency" and was also "agreeing to re-export some items to Poland."

Meanwhile, the economic weekly, Zycie Gospodarcne, has published more details of the economic performance in the first quarter of this year. In line with the cutback on investments, public spending dropped by 26.2 per cent against the same period last year and work stopped on 651 projects. However, 2,861 new projects were started in the first quarter, mainly in industry. Wages in the construction industry grew by 18.1 per cent while productivity dropped by 18.5 per cent.

Reuter reports from Canberra: The Polish Government is seeking a large amount of trade credit from the Australian Government, officials said in Canberra. Although exact figures are not available, the officials said Poland initially asked Australia to extend credits of up to A$100m (£53m).

This amount has been rejected by the Cabinet as too large, but consideration is being given to a credit of up to A$40m.

Soviet supplies vital for Poles, says Pravda

BY DAVID SATTER IN MOSCOW

THE SOVIET Communist party newspaper Pravda said yesterday that it was now difficult to imagine the Polish economy functioning normally without supplies from the Soviet Union. In an article marking the thirty-sixth anniversary of the friendship treaty between the two countries Pravda said that Soviet help was "the living embodiment" of their close ties.

The newspaper warned, however, that "certain circles in the West" want to disrupt this co-operation and to divert Poland "from the road on which it set after its liberation from the Fascist occupiers."

The article comes after agreement earlier this month on the sale next year of 13.1m tonnes of Soviet crude oil and 3m tonnes of oil derivatives to Poland at prices 30 per cent higher than those charged last year. The comparatively modest price rise for the same quantity of Soviet oil that Poland imported in 1980 means that Warsaw can buy oil this year at 40 per cent below the world market price.

According to Pravda, Poland receives 60 per cent of its fuel and raw materials imports from the Soviet Union while 80 per cent of Polish exports to the Soviet Union are industrial goods, the majority produced under specialisation agreements. Polish-Soviet co-operation was mutually beneficial but Poland itself was in danger, the newspaper added.

Imperialist propaganda was carrying out a "despicable, slanderous and instigatory" campaign against Poland and "revanchist circles" in West Germany harboured hopes of territorial claims.

Poland is expected to specialise within Comecon in the production of 180 types of metal-working machine tools and automatic production lines for the engineering industry of the 10 nation grouping. It is estimated that the value of Poland's trade with other Comecon countries will increase on this basis by Roubles 160m (£107m) in the 1981-85 period.

● The Soviet economy recovered slightly in March after a bad winter and quarterly industrial output rose by 3.1 per cent compared with the same period last year. This was an improvement over January and February but still well short of the annual target of a 4.1 per cent rise.

Spanish PM seeks backing in Bonn

By Robert Graham in Madrid

THE SPANISH Prime Minister, Sr Leopoldo Calvo Sotelo, today begins a two-day visit to West Germany, his first trip abroad since taking office two months ago. His choice of destination is intended to underline the European orientation of the new Government's foreign policy.

He will meet Chancellor Helmut Schmidt at his holiday home in Hamburg and then travel to Bonn tomorrow for talks with senior officials there. Accompanied by Sr Jose Pedro Perez Llorca, the Foreign Minister, he will be seeking to enlist strong West German support for Spain in its negotiations over entry to the EEC. In tht wake of February's abortive coup, Madrid is anxious to prevent any further delay in the negotiation timetable. Indeed, it is even trying to accelerate at least the political part of accession.

Sr Calvo Sotelo will also be discussing the question of Spanish workers in West Germany.

The other main topic will be Spanish membership of the North Atlantic Treaty Organisation. Sr Calvo Sotelo will be sounding out Herr Schmidt's views on the possibility of Spain joining the alliance this year or early next.

Here again, the Spanish are putting store on Bonn's support for their membership. Madrid believes that Nato membership would not only reinforce its military ties with Europe but would help give the Spanish armed forces a new sense of mission, lessening the chances of another coup attempt.

In more general terms, Sr Calvo Sotelo hopes to dispel the doubts and ambiguities that surrounded the previous Government's foreign policy.

Sr Adolfo Suarez, the previous Prime Minister, toyed alternatively with improving relations between Spain and other European countries, and a view that Spain had a significant role to play in Latin America and the Middle East. This led to considerable confusion, especially when Spain was present as an observer at the non-aligned summit in Cuba in 1979.

As a former Minister for Europe, Sr Calvo Sotelo, has made clear there is no doubt about his own, or Spain's, European vocation. His visit to West Germany also emphasises how he himself wants to play an active part in forming foreign policy.

Evren hints at role in future for Turkish politicians

BY DAVID TONGE IN ANKARA

TURKEY'S Military rulers remain determined to exclude all members of the last Parliament from the constituent assembly to be formed this autumn and from the next elected Parliament. But General Kenan Evren, who led last September's coup, has now indicated that they may be allowed to take part in subsequent Parliaments.

In his first full interview with a European newspaper, the Turkish head of state told the Financial Times: "I am not a judge to categorise politicians. There were some very good ones. But even the good ones did not resign when they saw the state which Parliament had reached.

"So it is better to exclude them all from the first Parliament. What will happen after, no one can tell." He confirmed that the ruling National Security Council would retain the final control over what the constituent assembly would propose.

The General again refused to give any timetable for the return to democracy and would not comment when asked if the process would be completed in less than five years.

"We have given our word to return to democracy, he said." "We look for the same trust and faith from abroad as we have from our own people. If our friends in Europe help, then the process of return to democracy will be quicker. But if they put obstacles in the way of every step we make, this will not give good results."

Indications of widespread use of torture are mounting, but General Evren insisted that torture is a crime in Turkey and that any use of it is without the knowledge of his administration.

There had been complaints of torture before the coup, he said, and asked why the various European parliamentarians who have visited Turkey in recent weeks had not come then.

His administration is concerned to head off attempts to suspend Turkey from the Council of Europe, which is due to debate Turkey's continuing membership of its parliamentary assembly on May 11.

Members of the Organisation for Economic Co-operation and Development are also to meet shortly in Paris where they are expected to promise Turkey $1bn-$1.2bn in credits.

General Evren complained that Europe is only slowly helping Turkey in its fight against international terrorism and the weapons trade. About 300.000 weapons, many from the West, have been handed into the Turkish authorities or seized by them in the past seven months.

Ankara plan for further debt consolidation

BY METIN MUNIR IN ANKARA

TURKEY is to launch a new programme before the end of this month for consolidating debts totalling some $130m (£60m) to banks around the world, Central Bank officials have disclosed.

The debts come under the category of so-called Third Party Reimbursement Claims (TPRC). Claimants are mainly foreign banks which have not been reimbursed by Turkey for advices or letters of credit opened by Turkish banks. The debt was built up by Turkey in the period before November, 1978, when the country entered its worst period of economic crisis.

They constitute the last remaining segment of the large Turkish debt to foreign banks, suppliers and Governments which has not been consolidated.

Bank of America International in London is acting as agent for the Turkish Central Bank for the consolidation of the claims.

Later this month, Bank of America will start making official offers to holders of the claims over three years at an interest rate of London Inter Bank Offered Rate (Libor) and an additional 1.5 per cent spread, according to the Central Bank.

Turkey is also in the process of obtaining easier terms of repayment for other debts in the region of $2.3bn to foreign banks.

Before the end of next month the Government expects to consolidate all of Turkey's short-term debts and to gain respite from repaying principal until 1985. The Government hopes that, in that year, the economic salvage programme, launched in January 1980, will have been successfully completed.

French franc at lowest point in two years

By Robert Mauthner in Paris

THE FRENCH franc has hit its lowest point against the D-Mark since the creation of the European Monetary System (EMS) two years ago after a long period at the top of the system probably because of slight market jitters as Sunday's presidential election approaches.

The French currency remains, however, well within the fluctuation margins allowed by the EMS and there is no question of a "run" on the franc for the moment.

In Paris, the franc closed yesterday at 2.3655 against the D-Mark, very close to its EMS central rate and comfortably above its floor of 2.4093.

N-power setback in E. Germany

EAST GERMANY'S ambitious nuclear power programme has received an unexpected setback, judging by reduced target figures for nuclear electricity production in the current five-year plan.

At present, 10.1 per cent of total electricity generated in the country comes from nuclear power stations and it had been planned nearly to double this by the end of 1985. Now, the Government has announced, without comment, that nuclear power will contribute 12-14 per cent of total electricity by 1985.

The previously projected expansion was based on eight Soviet-built 440 MW reactors, which were to have been installed at East Germany's main nuclear power station at Lubmin on the Baltic Sea. The Lubmin plant and a small 70 MW reactor at Rheinsberg produce all East Germany's nuclear energy.

There is no indication whether the lowered target has been caused by delays on the Soviet or the East German side. A third nuclear power station, with the new Soviet 1,000 MW reactor, was to have been completed at Stendal by the end of 1985 but this also appears to have been delayed.

The Government had said that nuclear power would provide the bulk of the increase in electricity production, but the new five-year plan target shows that East Germany is relying on its own lignite to provide most of the extra electricity.

East Germany is the world's largest producer of low-energy lignite, or brown coal, and production is to be expanded from 260m tonnes last year to more than 285m tonnes by the end of 1985. Existing lignite-fuelled power stations are to be modernised and one of Europe's largest lignite-burning power plants is to be completed at Janschwalde with five Soviet-built 500 MW generators.

The lignite's high moisture content causes severe mining and transport problems in the winter and makes stockpiling difficult at power stations. The increase in lignite production will be very costly as the country's most productive open-cast mines in the Leipzig area have been exhausted. Development of new mines in the Cottbus district in the east is taking a large portion of investment funds allotted for the five-year plan to the end of 1985.

How the Bundesbank flattens inflation

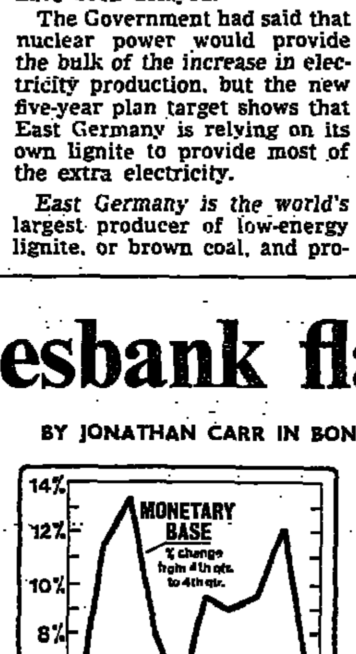
BY JONATHAN CARR IN BONN

WHY HAS West Germany been so successful—compared with most other countries—in the battle against inflation? A study just released by the Hamburg Institute for Economic Research, reviewing West German experience in the 1970s, gives two main reasons. One is the existence of a truly independent central bank, which took firm action to restrict money supply at a time when an inflation mentality might well have gained a hold. The other is the readiness of the union movement to accept a downward correction of real wages—not, admittedly, in absolute terms, but in relation to company profitability.

The study is particularly worth underlining at a time when Bndesbank (central bank) policy is under fire from some (influential) parts of the Bonn Government, and this year's national wage negotiations are delicately poised between success and collapse. The way both the central bank and the unions react now will go far to determine whether inflation this year can be held to an average of around 5 per cent, with a declining trend in the second half.

The Hamburg study compares West Germany's economy in the early 1970s with the period from 1979 to 1980, and finds some key similarities. In the first period inflation rose to 7 per cent (in 1973-74) during a persistent boom, and in the second it rose to touch 6 per cent during a relatively moderate economic upswing. The Bundesbank reacted both times by firmly curbing the expansion of money supply, from an annual rate of around 13 per cent to 6 per cent in the first period and from some 12 per cent to 5 to 6 per cent in the second.

But there was an important difference between the two periods as well, basically a psychological one. Both government and Bundesbank had tried to dampen the boom in 1973, but in the winter few people believed that in 1974 inflation could be held below 10 per cent. The unions demanded wage increases of 15 to 18 per cent and the Government gave way, granting average wage rises of 13 per cent to public-sector employees after work stoppages. The central bank reacted by reasserting its tough money supply policy—and stuck to this until it became clear that an economic downturn was under way and inflationary expectations had been curbed.



In theory, the "stabilisation crisis" of 1973-74 might have been repeated in 1979-80. After all, inflation had increased from 2.7 per cent in 1978 to 4.1 per cent in 1979, figures perfectly well known to the unions as they went to the bargaining table at the turn of 1979-80. But, as the Hamburg Institute points out: "This time the acceleration of price increases had relatively little influence on inflationary expectations. Hence wage settlements in early 1980 provided for wage increases of 'only' 7 per cent, compared with 13 per cent in 1974."

The institute leaves no doubt why it feels a widespread adaptation to inflation did not occur this time round. In the light of the 1973-74 experience most people expected the central bank again to take timely action to hold back the rate of price increases, and this was, in fact, what happened. In other words, the country was "schooled" by the 1973-74 crises, with the Bundesbank acting as "head teacher".

Of course, none of this implies that West Germany has freed itself for good of an inflation mentality. The current argument between the Bundesbank and the Government is not directly about the rate of expansion of money supply but about domestic interest rates. However, if the Bundesbank were to yield to political pressure and cut key interest rates before it felt such action was appropriate, the result could be a net outflow of funds, a weakening of the Deutsche Mark and an increase in the imported element of inflation. This trend might bring a resurgence of the inflation mentality in West Germany, albeit by another route than in 1973-74.

Further, the current wages round will go far to confirm or undermine the Hamburg Institute's thesis about a change in inflationary expectations. An increase in wages and salaries this year of 5 per cent or less would almost certainly mean a cut in incomes in real terms. This kind of settlement is possible only if there is a broad consensus that inflation (now at an annual rate of 5.5 per cent) is gradually going to be reduced so that short-term sacrifice is rewarded by longer-term benefits.

W. German metal union calls nationwide protest

BY KEVIN DONE IN FRANKFURT

IG-METALL, West Germany's largest trade union, is calling out all its 2.7m members on short protest strikes today in a nationwide action aimed at forcing a last-minute compromise offer from the employers in the current wage round.

The metal-working sector, with about 3.7m employees, traditionally sets the pace in West German wage bargaining. After three months of increasingly acrimonious negotiations, the wage discussions are close to a climax and both sides are looking for a breakthrough in crucial talks due to take place today in Wiesbaden.

Union negotiators in two of the largest regions in northern Germany and yesterday in North-Rhine Westphalia (the largest single region with 1.2m metal-workers), have informed the IG-Metall executive that local talks have finally broken down. They are calling for a vote to be taken on an all-out strike.

Such a move appears inevitable if negotiations in Wiesbaden for the 330,000 metal-workers in the state of Hesse break down without result. The talks today will be the eighth meeting between the two sides in Hesse during negotiations which have lasted for some three months.

Nationally, both sides have moved closer from the original union demand for an increase of 8 per cent and the employers' offer of only 2.5 per cent. The latest management offer of 4.1 per cent now stands against demands from IG-Metall for wage increases of at least 5 per cent.

Short-lived protest strikes in North-Rhine Westphalia had already cost industry some DM 27m (£5.7m) in lost sales, Gesamtmetall, the employers' organisation claimed yesterday. The strikes which have been mounted in the region since the beginning of March had hit 1,188 companies in the region and had involved around 313,000 workers.

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Thatcher praises Saudi stance on oil prices and output

BY RICHARD EVANS IN RIYADH

MRS. MARGARET THATCHER, the UK Prime Minister, warmly praised the Saudi leadership yesterday for not cutting oil production or raising prices.

She said at a Press conference in Riyadh at the end of her three-day visit to the Kingdom that had the Saudis adopted a different strategy the effect on Western economies would have been extremely grave.

"We are very happy indeed about the oil policy of the Saudi Government. They have tried to do everything they could not to raise prices . . . had other decisions been taken we would have been in very great difficulties," she declared.

The indications after the visit were that the relations between the UK and Saudi Arabia are now fully restored following the difficulties caused by the television film "Death of a Princess."

The actual impact of the visit on commercial links is not yet clear but the British team believes that UK companies should win contracts under the Saudi's third five-year plan, and also increase their share of defence sales.

The Prime Minister offered Saudi's a particularly hard sell on the Hawk trainer aircraft produced by British Aerospace and officials seemed increasingly hopeful that there could be a contract on offer for up to 50 in the near future.

Mrs. Thatcher was closely questioned by Saudi journalists on what conditions she would be prepared to sell arms, but she offered none. "We have made it clear we would be willing to supply arms to Saudi Arabia," she said.

The Prime Minister confirmed that the Tornado advanced strike aircraft had been discussed but only as a longer-term prospect. The purpose had been to hear Saudi views of their aircraft requirements several years ahead so that this could be taken into account in the development of the aircraft.

The Prime Minister then flew from Riyadh to the United Arab Emirates where she will have two days of talks with Emirate leaders in Abu Dhabi and Dubai.

Police in Dubai tightened security for Mrs. Thatcher's visit after an explosion in a Dubai hotel. Two hotel workers died in the blast last night. Mrs. Thatcher is due to visit Dubai today but was not scheduled to visit the hotel where the explosion occurred.

Iran plans a record deficit

By Terry Povey in Tehran

IRAN'S Prime Minister, Mr. Mohammed Ali Rajai, yesterday presented Parliament with a Rials 3,300bn ($44bn) budget for the next year. The proposals, which will be studied by Parliament over the next few weeks, envisage a record budget deficit of Rials 1,275bn ($17bn) with income for the year to March 20, 1982 unofficially estimated at Rials 2,025bn ($27bn).

Mr. Rajai's proposals did not detail specific spending, but Rials 1,000bn was announced some time ago as the target for defence spending. This would take defence up to more than 30 per cent of the total budget—the highest figure ever for Iran.

The main problem facing the Government, according to banking officials in Tehran, is its inability to raise a sufficient rial revenue within the country. Oil revenue, forecast at $18m, should provide more than enough to cover foreign exchange requirements.

As a result of falls in industrial and agricultural production, there has been a noticeable decline in Iran's national income over the last three years. Last year, the fall is reported to have been over 10 per cent—five times the 2 per cent level in the previous year and almost as bad as the 15 per cent fall in GNP recorded during the year of the revolution.

THE CRISIS IN LEBANON

Begin has talks on build up in fighting

BY DAVID LENNON IN TEL AVIV

THE ESCALATION of fighting in Lebanon and along the border with Israel has raised tension in Israel and was the central topic at talks in Jerusalem yesterday between Mr. Menahem Begin, the Prime Minister, and his senior Ministers and military commanders.

Palestinian shelling and rocket attacks on northern Israel and the southern Lebanese Christian enclave this week were being reviewed gravely in Jerusalem. In response to the deteriorating situation, Israeli and south Lebanese artillery yesterday launched heavy barrages against Palestinian targets, following Monday's artillery and air strikes.

Despite pressure from some military and political circles for more direct Israeli intervention against Palestinian and Syrian forces in Lebanon, there were no indications that the Government is interested in a confrontation with the Syrians.

Though no details were released about the content of yesterday's talks with Mr. Begin, Israel is expected to intensify its air, sea and land attacks on Palestinian targets, rather than launch a major land invasion of Lebanon along the lines of that of March, 1978.

But military sources here admit that while they want to limit the fighting, they do not know where it will lead or when it will stop. They also warn there is a danger of the conflict intensifying, forcing Israel to increase its aid to the Christian forces in the north.

The problem facing Israel is that while it is openly committed to helping the Christians in their battles with the Syrian troops in Lebanon, there is a major difference between providing advice and arms to the Christian forces than intervening directly in the warfare.

In the past few days, the commander of Israel's northern sector, General Evigdor Ben-Gal, has called for more Israeli involvement against Syria.

On Monday, Mr. Moshe Arens, chairman of the Knesset Foreign Affairs and Defence Committee, warned that if Syria does not stop its attacks on the Christians, Israel will take direct military action.

They, and others, believe that this is the right moment to hit Syria while it is isolated in the Arab world. But the dominant view in military and political circles here appears to be that direct intervention would be counter productive, rescuing Damascus from its isolation and unifying the splintered Arab world.

In a recent interview, Mr. Begin said Israel would not be dragged into a confrontation by the South Lebanese militia or any other forces, but would make its own decision on when and if to act.

The prevailing view here is that the moment for broad intervention in Lebanon has not yet arrived, although it could be brought on at any time if Israel believes its basic interest in preventing total Syrian control of Lebanon was being jeopardised.

HEAVY SHELLING CLOSES BEIRUT AIRPORT

BEIRUT AIRPORT was closed yesterday after the runways were hit by shells during the extensive artillery duels between Syrian troops and Christian militias, Ihsan Hijazi writes from Beirut.

Mr. Ekias Herawi, the Public Works Minister, announced later that the airport had been reopened, but only to outgoing traffic. Incoming flights were delayed for 24 hours.

The airport is the country's only air link with the outside world. The last time it was closed because of national strife was during the civil war five years ago.

A tense atmosphere hung over the Lebanese capital yesterday as sporadic shooting continued causing concern about the fate of the brittle 12-day-old ceasefire.

At least five people were killed and 15 wounded in the intensified bombing in southern Lebanon, according to Radio Lebanon.

The radio said the port of Sidon was bombarded along with the town of Nabatiyah and neighbouring villages farther inland.

Twenty-one people were killed and 50 wounded in the artillery and rocket exchanges on Monday which covered an area extending from the airport in Moslem West Beirut to the port of Junieh in the Christian heartland.

In South Lebanon, meanwhile, artillery duels raged between Israel and its Christian militia allies on the one hand and Palestinian guerrillas and their Lebanese leftist and Moslem supporters on the other.

An Israeli army officer was killed and one soldier wounded in the bombardment of Marjeyoun, the capital of the Christian enclave along the Israeli border.

Residents in Nabatiyeh, 10 miles north of the Israeli border, said scores of shells and rockets were falling in the area as Palestinian and Lebanese leftist forces battled rightist militiamen supported by Israeli gunners.

Palestinian sources said guerrilla forces had been put on full alert in Tyre, Nabatiyeh and Sidon.

AP adds: Field guns roared along Beirut's Moslem-Christian mid-city green line yesterday, shattering a brief lull in fighting.

Residents said the three largest residential neighbourhoods of Ashrafieh, Ein Rummaneh and Furn El-Shubbak in the mostly Christian east Beirut were under a massive bombardment of artillery and Soviet-made multiple rocket launchers.

Italian Foreign Minister in Ethiopia for meeting

BY JAMES BUXTON IN ROME

SIG. EMILIO COLOMBO, the Italian Foreign Minister, yesterday became the first Western foreign minister to visit Ethiopia since the 1974 revolution which overthrew Emperor Haile Selassie.

He is expected to test the strength of Ethiopia's desire for better relations with the West. After several years of deep involvement with the Soviet Union, Cuba and other East bloc countries.

The three-day visit is at Ethiopia's instigation and follows indications that at least part of the ruling military council, the Derg, is unhappy at the country's heavy military and increasing economic dependence on the Soviet Union and its allies.

It may also reflect the fact that Ethiopia is, in terms of foreign relations, more self-confident, having had a degree of success in extending its effective control over the Somali-populated Ogaden region in the south-east and over parts of the northern province of Eritrea, and getting on better terms with neighbouring Sudan.

The generally unsuccessful application of socialist economic policies, compounded recently by drought, have made Ethiopia question the value of East bloc economic aid. It is also deeply concerned that the granting to the U.S. of military facilities by its bitter rival Somalia could lead to the revival of Somali military strength, despite U.S. assurances to the contrary.

General is arrested in Tehran

By our Tehran Correspondent

GENERAL FARIVAR, the head of the purchasing and supply department within Iran's Armed Forces, has been under arrest in Iran for two weeks.

It is not known whether his arrest is connected with the $56m which the Iranian Government claims to have lost in a recent arms deal.

There has been no further official comment on the missing $56m, but there is increasing speculation in Tehran that it may not be the only example of inexperienced Iranian buyers getting into difficulties in their dealings with private arms salesmen and other merchants.

Suzuki plans European visit to discuss trade

BY RICHARD HANSON IN TOKYO

MR. ZENKO SUZUKI, the Japanese Prime Minister, is planning to visit Western Europe, possibly before he attends the Ottawa summit meeting in July. It will be the first official tour by a Japanese Head of State since 1973.

Relations between Japan and Europe have been marred by continuing trade and economic frictions caused by the huge trade surpluses Japan runs with the European Community and attempts with the EEC to curb imports from Japan.

On the other hand, both sides appear to appreciate the importance of improved political ties to cope with common problems around the world, especially those involving the super-powers.

Mr. Suzuki was promoted to the Prime Ministership last summer after the sudden death of Mr. Masayoshi Ohira. But unlike his predecessor, Mr. Suzuki has had little diplomatic experience with Europe. As Minister of Agriculture, Forestry and Fisheries, he handled various negotiations in Moscow with the Russians and in Oceania, but he has never been to Europe.

The Foreign Ministry said it is still trying to arrange the timing and itinerary with various European states, and the EEC in Brussels.

Reuter adds: The Government today ordered an immediate investigation into a radiation leak in which 56 workers were exposed at a nuclear power plant.

Although officers at the Japan Atomic Power Company plant in Western Japan said the workers were only subjected to harmless doses of radiation, Labour Ministry officials are investigating.

Kuwait envoy flies to Moscow

By Our Foreign Staff

Kuwait's Foreign Minister will fly to the Soviet Union tomorrow to discuss general political issues, Kuwaiti officials said yesterday.

In accepting an invitation from the Soviet Foreign Minister, Mr. Andrei Gromyko, Kuwait is reaffirming its traditional policy of maintaining a delicate balance between East and West.

Kuwait Foreign Minister, Sheikh Sabah al-Ahmed al-Jaber, is likely to discuss the Soviet proposal for a summit conference to discuss the demilitarisation of the Gulf.

Kuwait is the only Arab country in the Gulf, apart from Iraq, to have diplomatic relations with the Soviet Union. It has also purchased Soviet military equipment including anti-aircraft missiles.

Guerrillas attack power station in South Africa

BY BERNARD SIMON IN JOHANNESBURG

POWER supplies to hundreds of factories and homes in the port city of Durban were disrupted yesterday after saboteurs wrecked an electricity station. Damage to the station's transformers, which were installed late last year, was estimated at R2.5m (£1.4m).

The incident occurred shortly after midnight on Monday. Police suspect the saboteurs cut holes in security fences surrounding the distribution sub-station, which is situated in the black residential area of Lamontville, south of Durban, and then planted limpet mines.

It was the most serious case of sabotage in South Africa since black nationalist insurgents planted mines at the Sasol oil-from-coal facility last June.

There has been little evidence of guerrilla activity since then, but the number of incidents has increased in the past few weeks.

The militant African National Congress (ANC) has claimed responsibility in the past for most guerrilla attacks in South Africa, including that on the Sasol plant. Police said the bases discovered near Johannesburg were believed to be for ANC insurgents.

Areas affected by the sub-station blast in Durban included the industrial areas of Prospecton, Umbogintwini and Reunion. Factories in these townships were closed yesterday while the authorities restored electricity supplies.

According to police, black nationalist insurgents have become more sophisticated and organised recently. They have established an "assassination squad" which, the police said, has attempted two killings.

OIL AND NARCOTICS BOOM IN THE AMAZON

Peru's rubber capital bounces back into action

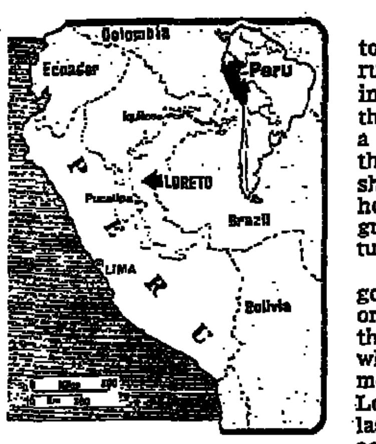
BY HUGH O'SHAUGHNESSY, RECENTLY IN IQUITOS

IT IS eerie to land in Iquitos, rather like landing on a small island or a big aircraft carrier. A break appears in the immense ocean of forest which stretches away to the flat horizon in all directions and this strange isolated town of 168,000 people suddenly comes into sight.

Linked to the outside world by no road and accessible only by river and by air, it is a geographical oddity, but an important one. The city is the capital of the Peruvian department of Loreto, 48m hectares of jungle on the eastern side of the Andes. Once the centre of a rubber boom, it has slumbered in the intense tropical heat for most of this century, only to awaken a few years ago to an importance it never before dreamt of.

Loreto has struck oil, and the less scrupulous of Iquitos's citizens are making millions of dollars from the narcotics trade.

The town shows little sign of its new importance. True, there is a new air port to deal with the half a dozen daily flights from Lima, the Peruvian capital, the occasional aircraft from



Brazil, and the recently inaugurated service by Faucett Airlines direct from Miami. But beyond the airport all is untidiness and often squalor as the town meanders along the north bank of the broad Arazon River. Apart from one main shopping street, the only animation is at the waterfront, where the great barges are tethered after bringing cement, food and crates of beer and carbonated drinks down river from the port of Pucallpa.

What in the last century used to be a luxury hotel occupied by rubber barons has been turned into an army headquarters, and the town's only other curiosity, a cast iron building designed by the French engineer Eiffel, and shipped in pieces from Paris, houses a travel agency for the growing army of travellers venturing into Amazonia.

In the offices of Iquitos a good deal of work is going on to organise the economic future of the town and of Loreto as a whole. The basis of local government finance is the royalty on Loreto oil production, which last year amounted to an average of 127,000 barrels a day (b/d). If production rose quickly—and the interest being shown by foreign oil companies in Loreto indicates that there is a good chance it could—the department would be transformed.

The oil industry is estimated to employ 6,000 people directly and many more indirectly. In 1983, the small local refinery of Petroperu, the state oil company, which processes 1,200 barrels a day, less than half local consumption, will be

The suburb of Belén, on the Amazon River itself: the drug smugglers hold sway

superseded by a \$21.7m plant to process 10,800 b/d. This year, Loreto and Iquitos will receive 13.3bn soles (£15.4m) in oil royalties, and next year could receive twice or three times this amount. Wrangling between Petroperu and local residents is still going on over the formula which should be used to calculate the exact figure.

With this and other revenues, the local development authority, Ordeloreto, is preparing a five-year plan to make the region and its natural resources better known, improving communications and pushing up local food production.

Such tasks as providing a reliable electricity service will help the increasingly important tourism industry, boosted by the recent introduction of the direct Miami air link.

In 1978, 27,400 tourists visited Iquitos and today 21 hotels can accommodate 1,700 guests all year round. The "jungle lodges" round the city offer a glimpse of life in the wild which is proving extremely attractive, especially to West German visitors.

In the Iquitos underworld, especially in the crowded suburb of Belen, the drug smugglers hold sway. Their fast launches outrun and often outgun the Peruvian navy and police who patrol Amazonia's waterways. The traffickers bring increasing tonnages of coca paste — the intermediate product between the raw coca leaf and finished cocaine—from the foothills of the Andes to Iquitos, whence it is dispatched onwards to Colombia, Brazil or the U.S.

The local police, backed by U.S. drug control agencies, do their best to halt the traffic which brings the city hundreds of millions of pounds in profit. Until the trade stops—of which there is little likelihood in the next few years—drugs will be a much more attractive source of income for many inhabitants of Iquitos than either oil or tourism.

Reagan advised to delay 'Awacs for Saudis' plan

BY DAVID BUCHAN IN WASHINGTON

SENATOR HOWARD BAKER, the Republican leader, has told the Reagan Administration it wil probably lose its bid for Congressional approval to sell advanced radar aircraft to Saudi Arabia, unless it postpones the plan for at least two months until after forthcoming elections in Israel.

The administration, buffeted by increasing and conflicting pressures on the controversial Saudi sale, sought the advice of Senator Baker, just back from a Middle East trip that included visits to Israel and Saudi Arabia, before deciding which step to take next.

The decision has been made on the Administration's willingness to sell the Saudis AWACS radar planes as well as extra gear for their U.S.-made F-15 jet fighters, Mr. Larry Speakes, acting Presidential Press Secretary, reiterated yesterday.

But the White House was not yet ready to notify this formally to Capitol Hill. Once that is done, Congress has 30 days to block the sale by majority resolutions in both Houses.

The AWACS sale has become a cliff-hanger, with pressure building up from Israel and Saudi Arabia. With votes narrowly balanced on the issue, the Reagan Administration risks its first foreign policy defeat as well as a near-certain row with one or other of its chief Mideast friends.

Sheikh Ahmed Zak Yamani, Saudi Oil Minister, warned over the weekend that Saudi Arabia expected to receive the AWACS as one package with the F-15 fuel tanks and missiles, and this should not be delayed until after the Israelis go to the polls on June 30.

The arms sale is intended to show a new decisiveness by Washington to help and defend its friends in the Middle East, in contrast to wavering by the Carter Administration.

The Administration aim was initially to get the controversial sale through as early as possible in its political honeymoon with Congress.

Its initial optimism was based on the mild Israeli response to the U.S. intention to sell the Saudis the extra fuel tanks and some air-to-air missiles.

This calculation was upset by the sharp reaction from Israel—mobilising its supporters on Capitol Hill—to the Administration decision to add a handful of sophisticated AWACS to the Saudi sale.

Some of President Reagan's strongest supporters on the conservative Republican side, such as Senator Orrin Hatch and Representative Jack Kemp, have come out against the sale, whose chances in the Senate look risky, and in the House, bad.

Israel has objected that the AWACS would do even more to upset the regional military balance than the sale of the long-range F-15 fighters to Saudi Arabia.

Israel already has such fighters itself, but not the AWACs.

President in bid to 'sell' economic strategy

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT REAGAN has stepped up his still light workload by using the telephone to lobby key Congressmen and Senators for theih support for his economic programme.

In an effort to revive political momentum for the tax and spending cut plans, the Reagan White House has also mounted a grass-roots publicity drive.

A series of speakers, Vice-President George Bush, former President Gerald Ford, arch-taxcutter Representative Jack Kempt, and a clutch of conservative Republican Senators, have fanned out this week across the South, an area identified by Reagan aides as particularly fertile ground for the economic programme.

The aim is to win the defection of Conservative Democrats, a breed still strongly represented in the South, where opinion polls taken for the White House show support for the Reagan economic programmes running at two to one.

President Reagan is an attraotive candidate to many conservative Democrats, who know that opposing the President might not be conducive to their re-election in the 1982 mid-term Congressional elections.

On returning from hospital after his wounding, Mr. Reagan was said to be horrified to learn that some members of his Administration were already talking of compromise on the more controversial elements of the economic package.

Mr. Reagan has instructed his Administration to fight for each and every inch of his programme

World Bank rebuts 'socialism' charge

By Our Washington Correspondent

THE U.S. Treasury has commissioned an internal study to examine complaints by conservatives, in and outside the Reagan Administration, that the World Bank promotes state socialism in the Third World at the expense of private enterprise.

The move is likely to bring some ridicule from other of the World Bank's 130-odd member-governments, which include many Socialist and a few Communist régimes, and has brought rebuttal from the World Bank staff.

Disclosing the internal study to reporters, Mr. Beryl Sprinkel, U.S. Treasury Under-Secretary for Monetary Affairs, said it was felt to be a necessary part of the Reagan Administration's review of future U.S. commitments to the World Bank and its affiliates.

The Administration has said it will meet past U.S. commitments, such as \$3.24bn to the International Development Association (IDA), the bank's soft-loan arm, but would not tie its hands beyond that.

The nub of the conservative objection to the World Bank is that too many loans are made to governments and state organisations in the Third World.

On the other hand, Mr. Sprinkel noted this complaint could easily be carried too far. In a lot of the poorer countries, the state was often the only functioning entity and the only body capable of financing large infrastructure projects.

It is, however, a particular concern of the Reagan Administration that the World Bank is, it is alleged, "misdirecting" an increasing amount of its resources into oil and gas exploration in the developing countries, which tend to have state-owned oil companies, if any at all.

The new U.S. Administration believes much of this could be handled by the big private oil majors.

The U.S. Government has said that for the time being, it sees no need for the World Bank to set up a special "energy bank" affiliate, as proposed by Mr. Robert MacNamara, the retiring President of the World Bank.

Mr. MacNamara has seen such an affiliate as a means of increasing the bank's overall borrowing. Though the affiliate could probably go ahead without U.S. financial backing, the Reagan Administration's political support for it would probably be necessary.

Brazil has £72m trade deficit for March

Brazil registered a trade deficit of \$156m (£72m) in March bringing the deficit in the first quarter to \$416m, the Finance Ministry announced.

The trade deficit for the first three months of the year was considerably less than the \$1.347bn for the same period in 1980, according to official statistics.

The Finance Ministry Statistics showed a 25 per cent increase in exports to \$5.181bn during the three months, officials said. Imports totalled \$5.597bn.

Agencies

Canada MPs debate last changes to constitution

BY VICTOR MACKIE IN OTTAWA

DEBATE BEGAN in the Canadian House of Commons yesterday on the last amendments to the Government's proposals for constitutional reform.

At this stage in the final three days of debate, it is not completely clear just which amendments will be accepted. However, Mr. Pierre Trudeau, the Liberal Prime Minister, along with the New Democratic Party, has agreed to amendments to strengthen the rights of women and natives.

All-party negotiations were under way throughout yesterday to revise opposition amendments to put them in forms acceptable to the Progressive Conservatives and New Democratic Party.

A Commons order set aside the first three days of this week—yesterday, today and tomorrow—for debating and voting on all amendments, putting an end to the lengthy Conservative filibuster that has stopped work in the Canadian Parliament.

Throughout the acrimonious debate, the Conservatives have demanded that the Government patriate the constitution immediately, but make no substantive changes until all the provinces agree. Mr. Trudeau wants Westminster to enact a Bill of Rights and a procedure for amending the constitution before passing control over the constitution to Canada.

The premiers of eight provinces appeared on national television during the Easter weekend to echo the Federal Conservative line.

Mr. William Davis, Premier of Ontario, and Mr. Richard Hatfield, Premier of New Brunswick, support Mr. Trudeau. The eight dissenting premiers have put forward what they describe as a compromise formula, but it was flatly rejected by Mr. Trudeau last Thursday.

By Thursday night, the resolution will be in its final form. After that, Mr. Trudeau's long march towards constitutional reform will pause until he gets the approval of the Supreme Court of Canada, which is scheduled to start hearing the case on April 28.

If the court rejects the Trudeau package, it is back to square one. But if the Supreme Court finds the resolution is legal, the last step in Canada will be speedy.

THE NEW 2 LITRE MERCEDES-BENZ ESTATE. ASK WHAT IT CAN DO. THEN ASK WHAT IT COSTS.

If you have driven one of the other Mercedes-Benz Estates, you already know some of the things the new 200T can do.

It can function effortlessly as a pantechnicon, farmcart, mobile kennel, ski or canoe transporter, delivery van, game brake or racing tender.

It can do so while remaining an uncompromised, beautifully mannered and dynamically satisfying car. Which is where it moves into territory occupied uniquely by Mercedes-Benz.

What may surprise you fractionally is that, at a constant 56mph,* it can travel 35.2 miles while consuming only one gallon of petrol.

If you believe that a Mercedes-Benz Estate is beyond your reach perhaps you should consider the new 200T in detail.

Because it is a Mercedes-Benz, it does not treat people like cargo.

The depth, strength and sophistication of engineering that go into every Mercedes-Benz have produced a large estate that does not shake, rattle or flex its body panels aft of the B-pillar, does not boom, reverberate or resonate whether running empty or full and does not buck and bounce its occupants as if they were no more sensitive than packing cases.

Instead, the new 200T rides, holds the road, handles, looks, sounds, and, naturally, feels like a Mercedes-Benz saloon.

Which, apart from 64.2 cubic feet of cargo space, a 1,367 lbs payload capacity, the ability to ingest objects up to 9 ft 5 inches long, a generous rear door and a handsomely squared off roofline, is precisely what it is.

Five different interior configurations culminating in the first single-seater estate.

The new 200T begins as a spacious five-seat saloon that happens to have 29.9 cubic feet cargo capacity where most cars keep their boot.

With the rear seat folded down, it becomes a sporty two-seater with 64.2 cubic feet of cargo capacity.

With one or other side of that assymetrically-divided rear seat folded, it becomes a three or four-seater with a 6 ft 7 in run of close-carpeted cargo space from the low-loading tailgate to the back of the front seats.

And, uniquely, with one rear seat cushion removed and the front passenger seat fully reclined, cargo space extends as far forward as the 200T's fascia and can accommodate items up to 9 ft 5 inches long.

The estate car achieves a higher plane.

Load the new 200T (with people or cargo or both) and when you start the engine an electronic sensor causes extra hydraulic fluid to be pumped into the rear shock absorbers to restore the car to its most efficient ride height.

Thus the four-wheel independent suspension retains its tenacity and the 200T and its occupants retain their equilibrium even at high speeds on twisting roads.

The safety, comfort and strength all Mercedes-Benz owners take for granted.

Superb handling is merely one of more than 120 safety features and countless contributions to comfort and peace of mind that are built into the 200T.

Others include the rigid steel safety shell, with burstproof door locks that could each support the weight of the entire car. Four-stage collapsible steering. Ergonomically engineered and sited instruments and controls. Scientifically designed seats with upholstery that 'breathes'. A divisible heating and ventilation system that permits passengers to doze while the driver stays alert.

And you may want to consider the remarkable optional extra called ABS—the computerized anti-lock braking system that is available across the entire Mercedes-Benz range of estate and saloon cars.

However, before you decide that you do want the new Mercedes-Benz 200T, compare it briefly with the other Mercedes-Benz Estates that share the same uncommon attributes.

The 104mph, 35.2mpg* 200T Estate owes its remarkable performance to a totally new 109 DIN/h.p. single overhead camshaft engine and a new lighter and more efficient four-speed gearbox which, together, contrive to make many large estates of other marques seem over-engined.

The even livelier 230TE Estate has a similar new cross-flow light alloy head engine, though 300 cubic centimetres larger and with the added efficiency of fuel-injection. Its top speed is 112mph and yet, it can return 33.6mpg at a constant 56mph.*

The extremely quick 280TE Estate has a fuel-injection twin overhead camshaft six-cylinder engine that permits it, where legal, to shift your goods and chattels at 121mph. If you are in less of a hurry, it can cover 25.9 miles for every gallon of petrol consumed at the yardstick speed of a constant 56mph.*

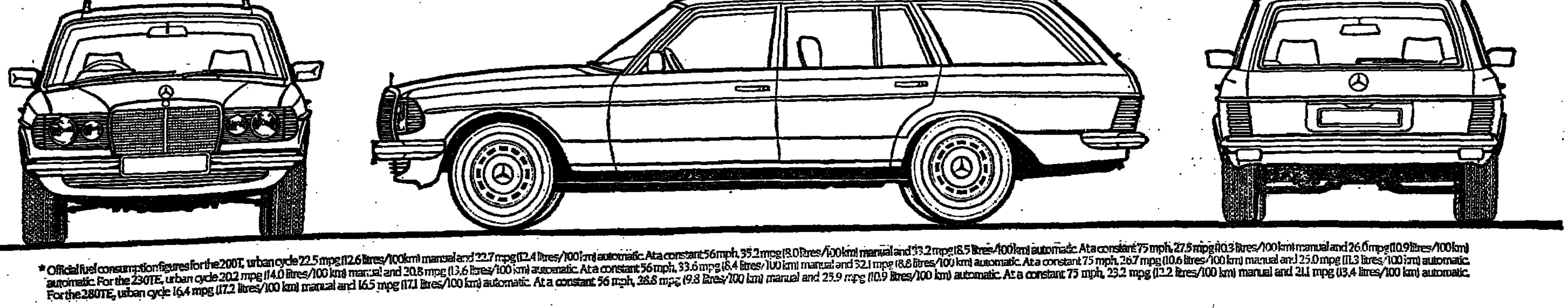
Now ask how much it costs.

The new 200T costs £8,950. Not a lot when you consider what you get for it. Still in doubt?

Your Mercedes-Benz dealer will be happy to offer you a very persuasive test drive.

Please bring your own load.

ENGINEERED LIKE NO OTHER CAR IN THE WORLD.



*Official fuel consumption figures for the 200T, urban cycle 22.5 mpg (12.6 litres/100km) manual and 22.7 mpg (12.4 litres/100km) automatic. At a constant 56mph, 35.2 mpg (8.0 litres/100km) manual and 33.2 mpg (8.5 litres/100km) automatic. At a constant 75 mph, 27.5 mpg (10.3 litres/100km) manual and 26.0 mpg (10.9 litres/100km) automatic. For the 230TE, urban cycle 20.2 mpg (14.0 litres/100 km) manual and 20.8 mpg (13.6 litres/100 km) automatic. At a constant 56 mph, 33.6 mpg (8.4 litres/100 km) manual and 32.1 mpg (8.8 litres/100 km) automatic. At a constant 75 mph, 26.7 mpg (10.6 litres/100 km) manual and 25.0 mpg (11.3 litres/100 km) automatic. For the 280TE, urban cycle 16.4 mpg (17.2 litres/100 km) manual and 16.5 mpg (17.1 litres/100 km) automatic. At a constant 56 mph, 28.8 mpg (9.8 litres/100 km) manual and 25.9 mpg (10.9 litres/100 km) automatic. At a constant 75 mph, 23.2 mpg (12.2 litres/100 km) manual and 21.1 mpg (13.4 litres/100 km) automatic.

WORLD TRADE NEWS

Australia may act against EEC beef subsidies

BY PATRICIA NEWBY IN CANBERRA

THE CATTLE Council of Australia, which represents the country's beef producers, yesterday called on the Government to take action within the General Agreement on Tariffs and Trade (GATT) over subsidised beef exports from the European Economic Community.

Mr. Peter Nixon, the Minister for Primary Industry, confirmed that the Government was considering GATT action in spite of the apparent failure of a similar action by Australia, Brazil, and other nations over EEC subsidised sugar exports.

A GATT working party found that the EEC's "open-ended" regime for both production and subsidies was "a source of uncertainty in world sugar markets" and constituted a threat of prejudice in terms of Article 16 of the GATT. However, nothing substantial came of the move than two years of negotiations initiated by Australia within the agreement.

Informal talks about the beef subsidy issue are understood to have already taken place between Australia and Argentina.

Representatives of the Cattle Council will meet Mr. Malcolm Fraser, the Prime Minister, today to urge that all efficient beef producing nations be approached to back a GATT action against the EEC subsidised beef export policy.

Opening the Cattle Council's annual meeting in Canberra yesterday, Mr. Nixon said subsidised EEC competition in third markets could become one of the most serious problems confronting Australia's beef trade

Last year the EEC, which was a net importer of beef in 1978, exported 570,000 tonnes (carcass weight equivalent) which placed it second behind Australia as the world's biggest beef exporter. Australia exported 950,000 tonnes.

Mr. Nixon blamed subsidised EEC exports undercutting Australian prices for a decline in Australian beef shipments to Egypt from 36,000 tonnes in 1978 to 573 tonnes last year.

The present rate of subsidy paid on beef exports from the EEC is estimated to be about 65 per cent of the fob price received from sales of Australian beef. At times, it has been as high as 75 per cent.

Commission allows wave of protectionist moves

BY GILES MERRITT IN BRUSSELS

A WAVE of protectionist measures by various EEC member states has been formally permitted by the European Commission in Brussels under the provisions of the Rome Treaty.

The countries to be affected include Japan, Brazil, South Korea, India, China, the Philippines, Taiwan and Czechoslovakia.

The device being used to stem exports from these countries is the Treaty of Rome's Article 115, which permits EEC member states to take "protective measures" against trading partners.

The barriers being erected under this latest round of Article 115 actions constitute the small change of protectionism and, according to some Brussels observers, are all the more worrying because of the low-key fashion in which they have been approved by the Commission.

The most notable case under which barriers have been granted to an EEC member state is the permission given to the Italian Government to reduce imports of car radios from Japan. Arguing that the Italian electronics industry's output of such radios has dropped from 620,000 units in 1979 to 450,000 last year, with the suppression of more than a third of the jobs in the sector, Italy has gained a six-month breathing space.

Other measures give the three Benelux countries protection against textiles from Czechoslovakia and China, France against textiles from India, Taiwan, South Korea, Brazil and the Philippines, and Ireland against various categories of South Korean clothing.

New hitch in plans for Airbus A-320

By David White in Paris

A FRESH complication has arisen in plans for the next generation of European Airbuses with the rejection by Lufthansa, the West German airline, of the present conception of a new 130- to 160-seater single-aisle aircraft.

Herr Reinhardt Abraham, a Lufthansa Board member, said in an interview with a French newspaper that the airline would not buy the aircraft — baptised the A-320 — if it used the Franco-U.S. CFM-56 engines, as currently planned.

Airbus Industrie is due to take a decision later this year on whether to go ahead with the A-320 as its first priority after the A-300 and its smaller successor, the A-310.

The company, in which Aerospatiale of France, Deutsche Airbus and British Aerospace are the main shareholders, is meanwhile studying two other projects, a stretched twin-aisle airliner and a long-range four-engined aircraft.

Work on the A-320 would have to start next year if it is to meet the 1986-87 requirements set by U.S. airlines for a new aircraft of this class, which would be in competition with other projects by Boeing and McDonnell Douglas.

It has already been assumed that the project would necessitate a reorganisation of those participating. Estimated development cost would be about $1.5bn (£697m) requiring substantial government loans.

British Aerospace, which took a 20 per cent stake in Airbus Industrie two years ago after working as a sub-contractor, has applied, for construction of the A-320 in Britain.

Herr Abraham's statement confirms West Germany's relative lack of interest in the project. He indicated, however, that Lufthansa might buy the aircraft if there was an alternative motor.

France's interest in the project is partly tied to the inclusion of this engine, made jointly by the state-owned Snecma company and General Electric of the U.S. Herr Abraham said he considered the motor to be out of date.

Airbus Industrie said yesterday that Nigeria Airways had ordered four A-310 aircraft.

Kathy Bishtawi in Sharjah on an increasingly popular pastime in the Middle East

Hunger for entertainment fuels a video boom

IN THE Middle East, where at times the living is not all that easy, the most popular pastime among expatriates and increasingly among local nationals, is to watch the video. In the summer months particularly, when the sea is lukewarm and uninviting and the air much like a steam bath, the comfort of an air-conditioned home and a private show is virtually the sole relaxation. For two or three hours, video fanatics in Jeddah, Riyadh or Abu Dhabi can be transported to anywhere and any time in a flight of fantasy.

In Iran and some Arab oil capitals, virtually no other organised entertainment exists. Saudi Arabia, for example, allows no cinemas, public theatres, bars or nightclubs, and its local television stations relay endless hours of football, nature programmes and lessons in Islam. Even when they do play top British and American series (Starsky and Hutch is one of the most popular in the Arab world), they are heavily censored, and bereft of scenes which show any kissing, even between married couples.

The video manufacturers have been quick to cash in on this culture-hungry market. Mr. Kazuo Iwama, president of Sony, who reently visited the area, revealed that of the 2m videos manufactured by his company, some 400,000 had been sold to the Middle East market.

Not surprisingly, Sony's largest single retail outlet in the world is in Dubai, and its local agent, Jumbo Electronics, says it is selling around 100,000 video machines a year through the United Arab Emirates market alone. On top of that, some 200,000 blank video tapes are sold each month, and to keep up with regional demand, the company is obliged to maintain a stockpile of 250,000 tapes.

About 60 per cent of this volume is immediately re-exported, estimates Mr. Manchar Chhabria, Jumbo's managing director. Iranians buy at least half the machines sold each year, despite the fact that the Iranian Commerce Ministery has banned them. Merchants in Dubai Souk say Iranians pay in anything from gold to carpets to get hold of machines and tapes. Jumbo also imports a staggering 15m audio cassettes a year, large quantities of which are smuggled out again to neighbouring markets. In Iran, pre-recorded cassettes are also banned. That alone is an irony, for Ayatollah Khomeini himself made skilful use of the audio cassette to circulate his speeches in Iran before his return from exile.

The video business, however, is virtually uncontrollable. It takes only one returning resident to smuggle in a cassette from which hundreds of copies can be made and endlessly recirculated. Customs authorities are becoming alert to this illicit traffic in Western culture, and now customarily rummage through visitors' suitcases looking for cassettes.

The Old Souk in Dubai where merchants say Iranians pay anything from gold to carpets to get hold of video machines

However, one prominent foreign banker in Abu Dhabi, like many other expatriates, had learned some tricks to overcome such barriers. He takes the plastic cover off the tape during the journey and then, once inside the country, refits it. The penalties for gettitng caught, however, are hefty. One Englishman returning to Dhahran recently was fined nearly $850 and jailed for a month for importing what the Amsterdam shops refer to as "adult movies."

It is a business which local governments naturally wish to control, and now all Gulf Information Ministries have special video censor departments, with teams of flying inspectors who raid the local video shops to ensure they are carrying no banned or uncut films. The lists can be extensive —in the Emirates, for example, over 1,500 films are banned—including "The Bible", "The Tempest", and "Love Story", as well as Bugs Bunny.

How effective such controls are is apparent in any hotel or block of flats. Most Gulf hotels offer guests a daily choice of at least three films, many clearly uncut. Blocks of flats in Dubai advertise in-house videos as a standard feature for tenants, and even small corner coffee houses are finding videos can attract custom.

The loose or non-existent copyright laws mean that local residents and visitors are offered films quite clearly lifted from British television: it is not unusual to have a night of video-watching interrupted by advertisements for Bournemouth supermarkets. Video shops in Dubai boast they have "friends" all over the world busily taping top television shows.

Videos are not only a cultural loophole, but also a political one. The controversial film "Death of a Princess" was available in Gulf capitals within days of being shown in Britain —all courtesy of the secret pass-me-round video circuit. One local cassette dealer said that when he recently telephoned a London contact to book an order for a top television series, his contact told him he was too busy that week taping thousands of copies of a BBC interview with the daughter of the late Pakistani Prime Minister, Mr. Zulfikar Ali Bhutto. "The demand that week from Pakistan was just fantastic."

On the other hand, one Gulf Information Minister said recently he had a long-standing order to his London and Washington embassies to film all major news documentaries. "It is the only way I can keep up with what is forming foreign public opinion and also be kept informed of what the Israelis are saying."

Tokyo in further attempt to settle U.S. car dispute

BY RICHARD C. HANSON IN TOKYO

THE Japanese Government intends to send another high ranking official from the Ministry of International Trade and Industry (MITI) to the U.S. to try again to sort out the car import problem before the end of the month.

This was disclosed after a group of Japanese legislators returned from the U.S. over the weekend, where they were again told by their American counterparts and other officials that "voluntary" restaints were expected from the Japanese side.

MITI plans to send Mr. Naohiro Amaya, Vice-Minister for International Affairs, to the U.S. to determine exactly what the U.S. Government wants Japan to do. The U.S. has so far hinted broadly that it expects the Japanese to restrain exports, preferably for two or three years.

American officials have declined to publicly mention any specific figures.

The Japanese Government contends that the U.S. has no legal basis on which to ask for restraints. But it is nevertheless determined to find a solution to the problem before Prime Minister Suzuki visits Washington early next month.

Solving the problem, however, appears to be largely a matter of not offending any of the principals involved, including the Japanese motor industry. The latter argues that the Japanese Government is mistaken in trying to push for a settlement simply to match the Prime Minister's travel plans.

Iran seeks steel to repair industry

TOKYO—Iran wants to buy about 300,000 tonnes of rolled steel from major Japanese manufacturers to help rebuild its war-damaged industry, trade officials here said.

The amount includes 200,000 tonnes of hot rolled steel sheet in coil, 27,000 tonnes of steel plates for oil pipelines and 23,000 tonnes of steel plates for water pipelines.

The officials said Iran is expected to provide ships for the exports if a deal materialises.

The Japan iron and steel exporters' association said Japan's steel exports to Iran fell sharply to 749,000 tonnes in calendar 1980 against a peak of about 2m tonnes in 1977.

Reuter

Fiat subsidiary opens Nigeria assembly plant

BY JAMES BUXTON IN ROME

IVECO, the heavy vehicle subsidiary of Fiat, has opened an assembly plant for lorries and tractors in Kano in northern Nigeria. The plants will have the capacity to produce 6,000 lorries and 3,000 tractors a year, with the potential to increase output to 15,000 to 16,000 lorries a year if conditions justify it.

The plant, which was inaugurated by President Shehu Shagari, will in due course manufacture a number of engine components and other parts. But, for the moment it will be, like other Nigerian vehicle plants, an assembly operation.

The company, called National Truck Manufacturers, is 40 per cent owned by Iveco. The Nigerian Federal Government owns 35 per cent, the Kano State Government 10 per cent and local private investors a further 15 per cent. The company has a capital of Naira 50m (£39.6m).

Italy has a big trade involvement with Nigeria. Impresit, a construction concern that is also part of the Fiat group, recently won a contract to build a damon the Rima river and has built 10,000 km of road.

Reuter reports from Lusaka: Zambia's state-run Industrial Development Corporation (INDECO) said an agreement reached with Fiat will allow Peugeot and Isuzu Motors of Japan to assemble vehicles at a Fiat production plant.

Benn is completely out of touch with reality, says Wilson

BY MARGARET VAN HATTEM, LOBBY STAFF

SIR HAROLD WILSON, attacked Mr. Tony Benn, yesterday, "completely out of touch with reality," and said that some of Mr. Benn's ideas for making the Labour Party more democratic were "barmy."

Interviewed on the BBC Television programme Platform One, Sir Harold strongly criticised the party's decision to involve unions and constituency parties in electing its Leader, and opposed the formula supported by Mr. Michael Foot, the party Leader, for restoring a 50 per cent vote to MPs.

"I think the choice of the Leader of the party should be 100 per cent Labour MPs, who are responsible to the people who have elected them, after all.

"The trouble with Tony is he is a kind of ageing perennial youth. I've used the phrase about him 'he immatures with age,' and he certainly does.

"He was terribly sensible when he was a young Minister for the first time, in the Post Office."

Sir Harold referred to a previous occasion when Mr. Benn had suggested giving workers the right to sack their managements at a week's notice. He, as Opposition Leader, had replied: "Why not just two days?" and "he took that very seriously."

"I think he is completely out of touch with reality. He thinks the shop stewards are the people who count above all, and the party activitists whom he stirs up."

Sir Harold said that Labour Leaders had a responsibility to "get things changed" if they did not like the decisions taken by conference. He himself had avoided trouble with conference by ignoring those decisions he did not like.

There had been cases when he had ignored conference decisions, "and strangely, conferences rejected them, turned them back the following year.

"Wouldn't I have been a fool to have acted on the first year round when conference was going to change the following year?"

He hinted that he thought a similar fate might await the decision at last October's Blackpool Conference in favour of abolishing the House of Lords.

"I think by the time the next election comes they'll be talking about bread-and-butter issues, and not about some of the kind of tomfool issues that we get at all these repeated party conferences."

Teachers in pledge to oppose dismissals

By Michael Dixon,

TOTAL opposition to compulsory redundancies among schoolteachers was pledged by the 258,000-member National Union of Teachers yesterday at its annual conference in Eastbourne.

But the 2,000 delegates rejected a Left-wing motion which would have committed the union to a one-day national strike if any local education authority tried to impose compulsory dismissals on teachers.

The conference decided that the NUT's executive should retain full power over the timing and tactics of the union's resistance to redundancy proposals.

Delegates were told the executive had already organised action, including half-day strikes in some areas, which forced education authorities to withdraw dismissal notices.

The NUT's opposition to dismissals on the grounds that fewer teachers would mean lower education standards conflicts with a recent report by the State's schools inspectorate on the effects of cuts in spending on education.

The inspectorate suggested that by letting the teaching force be reduced only by voluntary leavings and retirements, many local authorities were not keeping an appropriately balanced staff in their schools.

Several were short of staff capable of teaching basic subjects such as mathematics and English, even though they had a surplus of other types of teacher, and were thus unable to provide pupils with an adequate range of studies.

If the quality of education was to be insured against serious deterioration, the inspectorate implied, authorities would have to maintain proper curricula which would in turn require some teachers to be made redundant.

While the NUT was resolving to resist dismissals, however, the president of its main rival—the 120,000-member National Association of Schoolmasters and Union of Women Teachers—was calling on the Government to ensure that schools provided appropriate curricula.

In his presidential address to the NAS-UWT's conference in Brighton,

ICI working on designs for two plants

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Industries said yesterday that it is working on plans for two new plants at Billingham in Cleveland which would produce methanol and ammonia. The cost would be up to £170m.

The group has abandoned its methamm project — so named because it would have enabled methanol and ammonia to be produced from a single plant instead of two separate ones—on which it has been working for two years.

The two new plants will be built instead of the single methamm plant. The larger one is expected to produce 200,000 tonnes a year of methanol which is used in the making of glues, solvents, resins, paints and fibres.

The other will have the capacity to make 100,000 tonnes a year of ammonia which aids the manufacture of fertiliser and explosives.

ICI yesterday said that it had decided to switch from one plant to two because technical advances had made separate plants more economic. "Significant improvements" in the process technology for both methanol and ammonia production would enable the two chemicals to be made with a considerable saving in energy costs.

Although design work on both plants is going ahead, ICI's board has not sanctioned the capital sums needed to build the two plants.

The markets for ammonia and methanol are expected to grow at substantially higher rates than those for other basic chemicals. Demand for methanol in Western Europe is forecast to grow at about 5 per cent a year. Demand for fertiliser for grassland in the UK is predicted to increase at between 4 per cent and 6 per cent a year.

ICI now has the capacity to produce 650,000 tonnes a year of methanol in the UK and 1.7m tonnes of ammonia. Both chemicals are made from natural gas. ICI has a long term contract with British Gas which gives it supplies at considerably lower prices than most other industrial consumers.

The company refuses to comment on the price—other than to say that its advantage is not as great as has sometimes been suggested.

The news that ICI is pushing ahead with design work on new UK plants costing as much as £170m could help to lighten the gloom in which the group has been wrapped for the last year. Today, it holds its annual meeting—following a 54 per cent cut in pre-tax profits between 1979 and 1980 plus a cut in the dividend.

Shareholders are expected to be told that the company is still being hit by the recession, particularly in its base chemicals business, and by fluctuating exchange rates—notably that between the pound and the D-Mark.

Despite official statistics showing that UK chemicals production increased in February compared to the previous three months, it is thought that ICI still expects to see no real improvement in trading conditions until the autumn.

North Sea tax criticised

BY SUE CAMERON

SHELL UK expects a cash deficit this year, partly because of the "added burden" of more stringent North Sea tax measures.

Mr. John Raisman, chairman of Shell UK, says in the group's annual report that investment in the North Sea by the big oil companies will ultimately start to decline if the tax regime is too harsh.

"Offshore, the companies still encounter physical, technological and financial risks of a very high order. To cope with these, stability in Government policies affecting the industry is vital," he says.

"If the companies are unable to rely upon substantial returns from fields which prove successful, the willingness to invest will eventually be undermined."

Mr. Raisman says higher oil prices have led to a variety of energy developments becoming viable, and these should help to make the UK less vulnerable to future fuel and power shortages.

£200m nuclear project loan

BRITISH Nuclear Fuels is raising £20m to help finance its £3bn long-term investment programme, chiefly at its Windscale and Capenhurst factories.

The money will come from a group of international banks led by County Bank, which is also acting as agent, and Samuel Montagu.

British Nuclear Fuels is paying a margin of ⅜ per cent over the UK domestic interbank rate for the first six years rising to ½ per cent for the last five.

Worry over Saudi glut

BY SUE CAMERON

SOME OF Britain's major petrol companies are worried about Saudi Arabia's determination to maintain the present oil glut. They fear the policy will enable their competitors—notably Esso—to build up a major advantage at the pumps.

Saudi Arabia has made it clear it will keep its oil production at the present 10m to 10.3m barrels a day in an effort to stabilise world crude prices. It has also said it will not raise its own marker crude price of $32 a barrel—$3 a barrel less than the average price of the Organisation of Petroleum Exporting Countries.

Saudi's decision means that the Aramco partners—Exxon, whose UK subsidiary is Esso, Socal, Texaco and Mobil—will continue to enjoy cheaper crude than their competitors because large part of their crude comes from the kingdom.

Last month UK petrol companies raised their pump prices, saying further increases were on the way.

BR seeks modest goods traffic revival

Lyton McLain, Transport Correspondent, looks at plans to improve rail freight distribution.

BRITISH RAIL plans for attacking the freight distribution market would bring a modest revival for rail freight after one of its worst years on record.

Last week the railways announced a loss of £53m on conventional rail freight activities in 1980. These activities involve movement in bulk of coal, aggregates, chemicals, Freightliner containers, motor vehicles, iron and steel, and petroleum and its products.

The loss came largely as a result of the steel strike early last year and of the recession. These factors pushed receipts from rail freight £80m below the £541m budget British Rail forecast for the year.

The tonnage carried last year fell by 10 per cent to 153m tonnes.

BR accepts that its plans for an initial attack on the "distribution-related" traffic market are "extremely modest" compared with the enormous scale of freight tonnage moved each year by all forms of transport.

Over 1.8bn tonnes of freight was carried by road, rail, coastal shipping, inland waterways and pipelines in 1979, according to the latest Government figures. Of this 82.5 per cent went by road.

There have already been a major survey and report to BR on prospects in the distribution market from the University of Aston Business Management Centre.

Talks have taken place with management in the warehouse sector and with the British Institute of Management's Centre for Physical Distribution Management.

A major research survey of the distribution market in Scotland had been commissioned by BR. A final report on this is expected soon.

Distribution of manufacfactured products to retail and industrial consumed is a market BR has hardly considered before.

Rail freight has traditionally been concerned with bulk movement of raw material and fuel to industrial sites, of bulk materials to railhead storage depots, and between factories of semi-finished goods and components such as steel pressings for the car industry.

Distribution to the final consumer, involves buffer storage, long-distance trunk hualage of goods, warehousing, transhipment, breaking-up of bulk consignment and consolidation of gods for final delivery. BR says it has nto been "geared to compete in this highly demanding transport field."

As costs of road transport rise with higher fuel prices, vehicle excise duties and wages, BR believes that a "re-balancing" of road and rail costs is taking place.

Concern about environmental impact of heavy lorries, shown in reaction by groups such as the Civic Trust to the Government-appointed Armitage Inquiry into lorries, people and the environment, has helped spur an awareness of the environmental advantages of rail.

BR believes these factors can be "harnessed" to traditional expertise of professional warehouse and distribution operators for a "railhead distribution" service.

Most of these are in the private sector, including Railstore, and Corylink, part of the Ocean Transport and Trading group. Others such as National Carriers, part of the National Freight Company which the Government plans to denationalise completely, are in the state sector.

BR plans eventually to "take the lead as principals" for the whole of a distributing operation in association with private-sector freight distribution companies.

From the 100,000 tonnes of new distribution-related traffic this year, BR hopes to win 1m tonnes in 1985. By 1990 the total could rise to 2.5m tonnes, a "major and important injection of new business into the BR Speedlink 75 mph freight train services."

Incentives to switch to coal disappoint by leaving out gas users

BY MAURICE SAMUELSON

THE GOVERNMENT is putting the finishing touches to its system of grants to enable industry to switch to burning coal, and hopes to announce details early next month.

This will be widely welcomed by boilermakers, who say orders have virtually frozen as customers wait to see how much help they will receive.

There is disappointment that the Government is considering making grants applicable only for conversion of plant which burns oil, and not for gas-users.

NEI Cochrane, which accounts for 60 per cent of shell-boilers made in the UK, said the Government's scheme should emphasise the need to burn more coal, and that since gas prices were linked to those of oil, it would be "a bit negative" to withhold grants for conversions from gas.

In the Budget the Chancellor said £50m would be set aside in the next two years to assist conversion of oil-burning boilers to coal. On a rough estimate this would boost industry's demand for coal by 2m tonnes a year.

It is widely believed that the grants would offer 25 per cent of capital costs for conversion, but it is not known if this would be a general provision or a maximum.

The National Coal Board is anxious that it should assist installation of furnaces, as well as steam-raising boilers.

Television South sets deadline on studio talks with Southern

BY ARTHUR SANDLES

deadline for agreement in its renewed negotiations with its predecessor, Southern Television, for Southern's main Southampton studio complex.

A little over a month ago talks broke down and the studios were withdrawn from negotiation. Contact between the two parties then centred on essentials such as employee contracts

Now, however, Southern has made new proposals to sell its main studio complex, its subsidiary studio in Dover and various small regional offices, to TVS.

Figures are being kept secret but the original gap—Southern was talking in terms of £12m-£14m for the total package while TVS's thoughts were more in the £7m-£9m region—seems to have narrowed considerably. If a deal is done the figure may end up at about £11m.

The problem for TVS is that every day which passes makes it more difficult for the company to meet its on-air deadline of next January 1 without the use of the present Southern studio complex. It has therefore told Southern that unless a deal is completed by the end of next week it will go ahead with plans to build a studio complex at Eastleigh.

Southern Television is owned jointly by Associated Newspapers, the Rank Organisation, and D. C. Thomson. Its disappointment at losing the contract meant negotiations for the hand-over started badly. For several weeks Southern has been keeping quiet about its own plans for the Southampton studios but there has been talk of using them as a facilities house for independent production for the Fourth Channel, cable-TV, and other activities in the rapidly expanding television business.

Southern says its new proposals have been made to resolve difficulties which previously frustrated the complex negotiations over the acquisition of assets of Southern Television by TVS.

As well as the studios, the assets include Southern Television's interests in Independent Television News and in Independent Television Publications (largely TV Times). There is also Southern's considerable stock of programmes and film rights.

Tax research project

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A TWO-YEAR project to study the impact of taxes of all kinds on businesses is being launched by the Institute for Fiscal Studies.

The inquiry will cover the effects on industry of corporation tax, business rates and employers' national insurance contributions.

Mr. John Kay, the institute's research director, said the institute's focus of research would shift somewhat from the personal to the corporate sector, although analysis will continue into the effects of tax and social security benefit changes upon households.

The industry study will examine how the tax system determines both the amount of tax paid and the behaviour of different companies and sectors.

Other studies will look at different ways in which Government fiscal policies impinge on the private sector,

Coal production is up, but sales are down by 7.3m tonnes

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE SEVERE impact of the recession on the National Coal Board has been underlined by statistics showing that sales fell by 7.3m tonnes in 1980-81 compared to the previous year—a drop of about £250m.

The figures illustrate the financial difficulties which led the board to propose major pit closures last February. It withdrew the plan when the Government, faced with a threatened miners' strike, agreed to grant special aid to the industry.

NCB production in the financial year to March rose to 126.6m tonnes—an increase of 3.3m tonnes on 1979/80. Deep mines produced 110.3m tonnes, a 1m tonne rise on the previous year; opencast pits produced 15.3m tonnes, up by 2m tonnes.

But while production and productivity rose, the bottom dropped out of the coal market. Sales fell to 117.7m. tonnes, compared to 125m in 1979/80.

The Central Electricity Generating Board, the NCB's biggest customer, took 75m tonnes, compared to 77.4m the previous year. The South of Scotland Electricity Board was down from 8.2m tonnes to 7.9m.

British Steel took 4.7m tonnes, against 6.9m in 1979/80, while sales of coal for consumption in the home were down from 10.2m tonnes to 8.4m tonnes.

Sales to general industry dropped from 10.7m tonnes to 9m, reflecting the effects of factory closures and short-time working. This drop will be particularly disturbing to the NCB, which expects general industry to be its major sales growth area over the next two decades.

Amid the gloomy sales results, there were two bright spots. First, the NCB managed to hold its share of the total UK energy market at 37 per cent, overtaking oil as the UK's leading fuel for the first time in a decade.

Exports up

Second, coal exports rose from 2.5m tonnes to 4.7m. The board expects nearly to double that total to more than 8m tonnes in the current year.

With supply outrunning demand, the UK's coal stocks have risen sharply over the past year. The NCB now has 20.8m tonnes, compared to 12m this time last year, and a further 17.5m are distributed around the country to power stations and dealers, 1.8m tonnes more than a year ago.

The Government's emergency aid package, likely to total at least £100m to £200m, is still being worked out. The scheme will include money to keep open loss-making pits and funds to help minimise coal imports by subsidising NCB sales.

The NCB is involved in delicate negotiations with British Steel and the CEGB over substitution of UK coal for some of their fuel imports, which are likely to total nearly 5m tonnes this year.

New car sales showing some signs of recovery

BY JOHN GRIFFITHS

TENTATIVE signs exist that the discount war in the new car market is easing and that sales of new cars may be set for recovery, according to a report by stockbrokers' analysts Phillips and Drew.

The authors believe that the budget probably delayed and weakened an upturn, but that the 16 per cent decline in sales during 1981's first quarter "could well have marked the bottom of the downturn."

The report forecasts sales of 1.39m this year—against 1.51m in 1980—and an improvement to 1.46m next year.

After the steep drop in the first quarter, the report expects "a steadier market in the remainder of the year." While the third quarter might see a decline on the same relatively buoyant period of 1980, the final quarter should see an improvement on the 1980 level.

The collapse in motor distributors' profits last year was caused mainly by heavy discounting, rather than a drop in sales volume, with dealers retaining only about 5-6 per cent of their 17-18 per cent total margins.

This compared with a retention of about 10 per cent the previous year.

A rundown of stocks, however, combined with lower output levels, has now removed some of the discounting pressures.

"Whatever the current stock position of the industry," says the report, "there is some anecdotal evidence that the discount war of 1980 is now easing.

"It is too early yet to be sure that this trend is firmly established and not a false dawn."

Although discounting still appeared aggressive on larger-engined cars, "prices seem to be hardening" on smaller and medium-sized models.

The report is less optimistic about commercial vehicles, predicting a decline in demand for trucks of more than 3½ tonnes to 40,000 units from last year's 58,000.

** Motor Review, April 1981. Published by Phillips and Drew.*

Life-sized black basalt busts of Prince Charles, to commemorate the Royal wedding in July, being worked on at Wedgwood. The larger busts will cost £2,000 and the smaller £200 each.

Labour plans integrated London transport body

BY GARETH GRIFFITHS

PUBLIC transport in London will be integrated under a new authority similar to passenger transport authorities elsewhere in the country if Labour wins control of the Greater London Council in next month's elections.

Mr. Andrew McIntosh, Leader of the GLC Labour group, said yesterday that the authority would be funded by the GLC but British Rail and London Transport would be invited to join. Its aim would be to integrate fares and services and make it possible for passengers to buy through tickets for travel on BR and London Transport more easily.

Labour has estimated that its proposals to cut London Transport fares by an average 25 per cent will cost about £115m this financial year. Part of the money will be used to absorb a projected London Transport deficit.

Unofficial estimates suggest the GLC would also have to find another £40m a year to compensate BR for its loss of revenue if its fares in the capital are brought into line with the rest of London Transport.

Mr. Albert Booth, the Shadow Transport Minister, said the Government's policy of withdrawing revenue support and forcing up fares was a blatant and senseless attack on the fabric of public transport.

● Sir Horace Cutler, the Conservative leader of the GLC, said yesterday that Labour proposals to put the Metropolitan Police under the council's control were part of a plan to replace the present system with policing based on political objectives.

He said the present system whereby the Metropolitan Police are responsible to the Home Secretary, provided accountability. The Conservatives, however, believed there might be a case for a small number of GLC councillors to sit on the small Home Office committee responsible for the policing of London.

Sandvik to close Glasgow factory

By Elaine Williams

SANDVIK, the Swedish cemented carbide and steel group, is to close its factory at Hillington, Glasgow, with the loss of 84 jobs.

The Hillington factory's main product, brazed tools, depends on an area of engineering industry hit hard by the recession.

Plans to invest in the Hillington plant were shelved when it became clear UK demand was falling and the high value of the pound made exports difficult.

Sandvik, which has a turnover of £100m and employs 2,800 in the UK, is instead to expand production of special tools at its East Kilbride factory.

Dog licence fee 'should be raised'

BRITAIN'S vets have criticised the Government's continued refusal to increase the dog licence fee. The British Veterinary Association added its support to the campaign launched by the Royal Society for the Prevention of Cruelty to Animals, aimed at reducing the number of unwanted pets and ensuring proper care for the rest.

The RSPCA has advocated neutering pets because it is "tired of having to cope alone with the problems brought about by people's irresponsibility towards living creatures."

FT hospital aid

FINANCIAL TIMES editorial messengers presented Stoke Mandeville Hospital with a cheque for £1,000 after a fund-raising football match. The event raised £755 and the remainder was donated by the National Society of Operative Printers, Graphical and Media Personnel branch committee.

Cookers inspection

A CASE of severe rusting on a Tricity microwave cooker could affect safety. Thorn is therefore offering a free inspection to owners of Tappan, Kenwood and Tricity, Model 2000, and Moffat model 4000 and 4001 cookers.

Driving test

THE Department of Transport has asked candidates taking driving tests at centres in the Metropolitan Traffic Area to make sure they take their appointment cards with them, and, wherever practicable, their driving licences.

Bank's £20,000 loan helps couple to launch hi-fi loudspeaker venture

Elaine Williams describes how Barclays is assisting May and Peter Belt

MAY AND PETER BELT, who describe themselves as "willing but impecunious entrepreneurs," were on the point of losing their 15-year-old hi-fi business when they obtained a bank loan to develop a new type of loudspeaker.

"Contrary to public awareness, Barclays Bank has made some business start-up loans," May Belt says. In October, the Belts received £20,000 to help Peter Belt's hobby of designing loudspeakers produce a marketable product.

The Belts began distributing Japanese headphones to hi-fi enthusiasts in the 1960s. These required an adaptor to make them suitable for operation with British equipment. So Peter Belt designed and sold his own, and stopped importing the Japanese headphones.

However, Peter Belt's real joy was in designing loudspeakers. He did not sell his designs because most of his time was taken up with headphones.

The chance for him to apply his designs practically came last year when the Belts found the high value of the pound abroad had forced them out of the crucial overseas markets, which accounted for 70 per cent of their headphones business.

"We had one large order from Belgium and then nothing," said Mrs. Belt. "We could either sit down and cry about it or take the opportunity to try out the new loudspeaker designs."

The Belts' company, PWB Electronic Distributors, is one of more than 150 ventures which have received a total of £5m from Barclays in the last seven months.

Under the Barclays scheme, up to £50,000 can be borrowed. Barclays aims to recoup its money from royalties on each company's sales.

Mrs. Belt says that without the loan and the generous repayment conditions, they would not have considered taking the risk and would probably have closed the company.

The future is still uncertain. The top end of the hi-fie loudspeaker market is dominated by such British names as Wharfedale, KEF, Goodmans, IMF Electronics, and many smaller manufacturers with worldwide reputations, which often export more than 70 per cent of their products. To compete, the Belts have to be cost-conscious.

The Belts run their business from home — in the extension which once served as a playroom for their five children. "We considered renting a small factory in Leeds, but the cheapest one we were offered was at £60 a week," Mrs. Belt said. "£20,000 won't go far at that rate."

Overheads have to be kept as low as possible. The money available is best spent on making the products to the highest possible standard, they feel.

Customers who pay £2,750 for a pair of the Belt's loudspeakers are unlikely to accept less than the best.

Mr. Belt's loudspeaker is a variation of an electrostatic design which has been available for more than 25 years but is still considered innovative.

In conventional moving coil loudspeakers, an electric current is used to move a treated paper cone back and forth to produce sound. In electrostatics, a light plastic diaphragm vibrates in an electrostatic field, improving sound production. Mr. Belt's design uses magnetic rather than electrostatic forces to move the diaphragm.

The loudspeakers are expensive because they contain their own amplifiers — unlike most loudspeakers, which rely on separate amplification.

Mrs. Belt said the bank loan allowed them to spend more money in finding the right materials which were vital if they were to convince customers that their loudspeakers were professionally made and could match the best available.

For the hi-fi manufacturers, summer is not usually a good time for business. The Belts have placed much of their hopes for the venture's success in demonstrating their new loudspeaker at the recent High Fidelity show in London in the hope that dealers will place orders in the autumn, the peak time for hi-fi sales.

Since the Belt's major customers will be at the high quality, rather esoteric end of the hi-fi market, critical or good reviews in the specialist magazines of their system could also help to determine the success of their venture.

Award scheme aids disabled

ENTRIES are now being invited for the 1981 Business Enterprise Award. Any company with an annual turnover of £5m or more that has made a significant contribution to creating wealth and employment in Britain during the past year is eligible.

Proceeds from the scheme will go to the National Society for Mentally Handicapped Children and Adults. Entry details and a registration of entry form can be obtained from the Institute of Directors, 116 Pall Mall, London SW1Y

UK NEWS

Berger cuts paint supply to Tesco

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BERGER PAINTS yesterday cut off all supplies to Tesco of its "Magicote" white emulsion paint following allegations that Tesco had used the paint as a "loss leader" to attract custom.

Berger claimed that Tesco has sold two 2.5 litre cans of the paint at a price of £4.99 and that this was less than the price paid by Tesco to Berger.

Mr. John Sutton, director of Berger's decorative paints division, said yesterday: "Tesco's pricing was damaging to our name in the market, our products, and to the hundreds of other stockists of our products in the retail trades.

"Tesco obviously felt that making a substantial loss on our product would attract plenty of other profitable spending in their stores." This was "wholly unreasonable" competition. Berger was determined to safeguard its products.

Tesco said last night that Berger Paints' products were only part of a wide range of paint it stocked, including its own-label brands. Its pricing policies were aimed at giving the best value to customers.

Berger said that, after consulting its lawyers, and talking to Tesco, it had decided to end all supplies to Tesco. That ban started on Thursday night.

Under the 1976 Resale Prices Act, manufacturers can refuse to supply retailers with products if they have "reasonable cause" to believe that the goods are being used as "loss leaders."

"Loss leaders" are widely used in the retail trade to attract customers to a store who are then encouraged to buy other goods. Manufacturers, however, dislike their use since it upsets other retail customers and can cheapen a product's image.

Manufacturers are not entitled to refuse supplies to retailers who consistently sell at a price below the manufacturers' recommended price. The Competition Act, introduced last year, bans refusal to supply on these grounds.

The Office of Fair Trading has investigated two manufacturers—TI Raleigh Industries and the Sanderson wallcoverings company—for refusing to supply cut-price retailers.

The OFT said last night that there were no plans to investigate the Berger-Tesco dispute.

Humberside sites viewed by Nissan car executives

EXECUTIVES from the Nissan Car Company yesterday looked at two Humberside sites for their proposed British car factory.

Humberside, with more than 25,000 people unemployed, is giving top priority to the Japanese proposal, which would provide at least 5,000 jobs.

The Nissan executives started a detailed examination of potential sites for a £250m car plant last week. Three are in Wales and others are at Sunderland Airport, the Stockton area of Teesside, and the Stallingborough-Grimsby area.

The Government is expected to give special development status to the Humberside area if there is a chance the Japanese will come.

The visitors were shown one of the country's busiest roll-on/roll-off terminals at Immingham, which has the capacity to handle the Japanese-British exports. They were also to see the Humber Bridge, its motorway links, the airport at nearby Kirmington, and the Scunthorpe steel works.

The two favoured sites are on the Humber's south bank. Nissan, the Datsun car company, has promised a decision on the British investment in June.

Jetsave and BCal in £6m U.S. holiday deal

BY LYNTON McLAIN

JETSAVE AND British Caledonian Airways have reached an agreement, worth £6m to BCal, for the use of 20,000 of the airline's seats to and from London to the south-east U.S.

The deal will add four destinations — Atlanta, Dallas, Houston and St. Louis — to the holiday company's U.S. programme bringing to 17 the number of cities served by Jetsave.

Jetsave passengers will travel at the airline's lowest bookable fare and each will also receive extras worth £15, including free inflight films, stereo, drinks, a duty-free voucher worth £2.50, a discount shopping card and a travel bag.

The return British Caledonian fare from Gatwick to Atlanta is from £282, to Dallas from £306, to Houston from £326 and to St. Louis from £282.

● The first Rolls-Royce Pegasus II jet engine for the new McDonnell Douglas AV-8B version of the British Aerospace Harrier vertical and short take-off and landing aircraft arrived at the McDonnell Douglas factory, St. Louis, last week.

The engine is the first of eight to be shipped over the next five months.

The AV-8B is under development for the U.S. Marine Corps and is being considered by the British Ministry of Defence for the Royal Air Force. If accepted it would replace the Harrier Mark 5, now at the design stage.

APPOINTMENTS

Chairman for Harland and Wolff

Dr. Vivian Wadsworth, director and chief executive of Tanks Consolidated Investments, a mining, finance and industrial holding group, has been appointed chairman of the state-owned HARLAND AND WOLFF shipyard. Dr. Wadsworth takes over on May 1 for three years. He succeeds Mr. Alex Cooke, a non-executive director of Harland and Wolff, who served as interim chairman after the retirement of Sir Brian Morton last October.

★

Mr. F. W. (Bill) Price has been appointed deputy chairman of ELECTREX, organiser of the International Electrotechnical Exhibition. He is also chairman of the Association of Supervisory and Executive Engineers.

★

BRITISH CALEDONIAN has appointed Dr. David Freemantle to the post of personnel director. He takes over responsibility for personnel and industrial relations from Mr. Colin Smith, the airline's financial director, who has been acting personnel director since the death last September of Mr. Ray Dobson. Dr. Freemantle was, until recently, director of personnel for the Perkins Engine Group, and is, by profession, an industrial chemist having gained his Ph.d in physical chemistry at London University.

★

Mr. Charles Ward has joined the RADIO, ELECTRICAL AND TELEVISION RETAILERS' ASSOCIATION as press and information officer, and editor of the association's magazine RETRA Dealer.

★

SOUTH CROFTY has appointed two additional non-executive directors: Mr. C. E. Cannell, who is currently chairman of Olivers (Barnstaple), and Devon Instruments, and was formerly regional industrial director of the Department of Industry; and Mr. L. C. Waite, who is the senior partner of Stephens and Scown and a member of both the CBI minerals committee and the Council of the Cornish Chamber of Mines.

★

Mr. D. S. S. Chichester and Mr. M. R. J. Pugh will be joining the partnership of PANMURE GORDON AND CO., stockbrokers, on May 1.

★

Two appointments have been made to the Board of THE POWER EQUIPMENT COMPANY. Mr. John Gillman-Smith becomes sales director, and Mr. Richard Cliffors is appointed production director.

★

Mr. Geoffrey J. T. Richards, who will be 60 next month, will retire from the Board of LCP HOLDINGS. Mr. David M. Rhead will assume responsibility for the chairmanship of LCP's construction division and for Mota-products Automotive and Mr. John L. Robinson will be appointed a director of the Whitlock Corporation, U.S.

★

Mr. David Jaggs has resigned as managing director of FORTNUM AND MASON. Mr. aggs, who joined the company in August, 1979, and has been involved in the re-organisation of its management structure will be leaving to pursue other interests. Mr. Lepel Griffin, who recently retired as managing director of Welwyn Department Store, has agreed to join the company on a temporary basis as general manager.

★

Mr. Alfred E. Singer has been appointed chairman of the AREGON GROUP, the computer software company in which the National Enterprise Board holds an 84 per cent shareholding. Mr. Singer is at present chairman of Cannon Assurance and of Wholesale Vehicle Finance. He is also on the Boards of Guinness Mahon, Equity Capital for Industry, and Gestetner Holdings and is a former chairman of the National Economic Development Office's computer sector working party.

Aregon obtained its initial funding from the NEB and expects to seek further finance from private institutions.

★

Mr. Brian P. Turnbull has joined the electronics and instruments division of BELL AND HOWELL as European financial director, based at Basingstoke.

★

Mr. J. E. Drinkwater has resigned from the Board of ADWEST GROUP to devote more time to the affairs of his own company.

★

THE ROYAL BANK OF SCOTLAND has appointed Mr. Archibald B. Murray general manager (London) from April 30. Mr. Murray succeeds Mr. John M. Mowat who retires.

★

Mr. John Turner has been appointed managing director of BARDEX (PLASTICS). Mr. Turner is also technical and deputy managing director of Thurgar Bolle and a director of Thurgar Bardex.

★

Mr. P. R. A. Bainbridge has been appointed a director of ASSOCIATED CONTAINER TRANSPORTATION. He continues as managing director of ACT Services.

★

GRINDLAYS BANK has made the following appointments: Mr. R. Murray has become general manager of Grindlays Bank (Uganda) and of Grindlays Bank International (Uganda). Mr. J. M. Mitchell has been appointed general manager of Grindlays Bank in Cyprus.

★

Mr. R. W. Williams has retired as an associate member of WILLIAMS DE BROE HILL CHAPLIN & COMPANY, stockbrokers. Mr. Michael D. Jenkins has become a member.

★

Mr. L. E. Lee-Davey, chairman of the Lee Davey Group, has been elected chairman of the NATIONAL CARAVAN COUNCIL for 1981-82. Mr. C. A. Gillett, managing director of Morco Products, has become vice chairman of the Council.

★

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Aregon obtained its initial funding from the NEB and expects to seek further finance from private institutions.

★

Mr. Richard Baldwyn has been appointed as managing director of TIGERPRINT, a company which will be involved primarily in the non-publishing activities of the OCTOPUS PUBLISHING GROUP. He takes up the position on May 1. Mr. Baldwyn retired last month as managing director of Music For Pleasure.

CONTRACTS

Aker offshore awarded North Cormorant order

THE CONTRACT for hooking up the platform in the Shell-Esso North Cormorant off-shore oilfield has been won by AKER OFFSHORE CONTRACTING of Aberdeen, a subsidiary of Fred Olsen.

Neither Aker Offshore nor Shell-Expro, which awarded the contract, has disclosed its value, said to be worth "several million pounds."

Up to 200 men will be employed offshore on the work which will start in June and is due to be completed within nine months.

Aker Offshore currently has 440 men working offshore and 220 onshore. It has now won the last six major hook-up contracts in the North Sea and is involved in projects on the Gorm, Beatrice, Buchan, Fulmar and Murchison oilfields.

★

DOWTY HYDRAULIC UNITS has received from Fairey Allday Marine, orders for marine propulsion units, worth over £1.5m. These two-stage water-jets equip the Fairey Allday combat support boats being supplied to the British Army and the U.S. Army.

★

FERRANTI COMPUTER SYSTEMS Bracknell division, has received a £1.2m contract from the director Underwater Weapons Projects (Navy), to develop and manufacture an action information and fire control system for the Royal Navy's new conventional (diesel-electric) submarine, the SSK type 2400, Oberon class successor.

★

An order worth more than £1m has been placed by the Ministry of Defence (Procurement Executive) for a Mk. 2 version of CANE (Computer Assisted Navigation Equipment) with RACAL-DECCA SYSTEMS AND SIMULATORS. The Racal-Decca system is to be installed on the new Royal Navy "Castle" Class offshore patrol vessels.

★

Rugby Portland Cement has placed an order worth £1m with PROCOR (UK) for the manufacture and supply of 25 rail wagons for delivery during 1981. These wagons will be on hire from Procor. Each carrying over 36 tonnes of bulk cement, they will run between Rugby Cement's main manufacturing units and rail-fed road distribution terminals throughout the country.

★

United Biscuits has placed an order worth more than £750,000 with BAKER PERKINS for a fully automatic wafer plant. The plant will incorporate wafer baking ovens, creaming and sandwiching units, cutting, cooling and chocolate enrobing, together with automatic batter preparation, cream production and chocolate storage.

★

STEEL BROTHERS PROCESS PLANT has been awarded a contract worth around £750,000 for the supply of the resin plant for the £7½m modernisation project at Goodlass Wall and Company, Speke, Liverpool. The contract covers detailed design, supply and erection of a complete resin system, including hot oil system, reaction vessels, piping and instrumentation.

★

J. AND S. SIEGER has received an order worth around £250,000 from the Ministry of Defence for supply of tape cassettes for toxic gas monitoring. The order covers the supply of equipment over a period of three years.

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8¼% 1971/1986 UA 20,000,000

On April 3, 1981, Bonds for the amount of UA 1,230,000 have been drawn for redemption in the presence of a Notary Public.

The Bonds will be reimbursed coupon no. 11 and following attached on and after June 11, 1981.

The drawn Bonds are those, NOT YET PREVIOUSLY REDEEMED, included in the range beginning at 9274 up to 15875 incl.

Amount purchased on the market: UA 100,000.

Amount outstanding: UA 6,700,000.

Outstanding drawn Bonds:
11999 and 12000, 12214 to 12216 incl., 12261 and 12262, 12361 and 12362, 12527 to 12530 incl., 12562, 12574, 12576, 12582, 12607 to 12610 incl., 12613, 12624 to 12628 incl., 12712, 12736 to 12751 incl., 12763 to 12766 incl., 12876, 12958 to 12960 incl., 12972 to 12975 incl., 12978 to 12980 incl., 12984, 12989 to 12998 incl., 13000, 13067 to 13069 incl., 13072 to 13077 incl., 13080 and 13081, 13130 and 13131, 13196, 13199 and 13200, 13633, 13668, 14135, 14161, 14175, 14178, 14200, 14297, 14747 to 14750 incl., 14817, 14824 to 14826 incl., 14851 and 14852, 14882 and 14883, 15098 to 15100 incl., 15112, 15548 and 15549, 15554 and 15555, 15559, 15578 to 15580 incl., 15583 and 15584, 15644 and 15645, 15657, 15738 to 15740 incl., 15803, 15857 to 15859 incl.

Luxembourg, April 16, 1981.

The Trustee.
FINIMTRUST S.A.

COMPANY NOTICES

YNYS MÔN ISLE OF ANGLESEY BOROUGH COUNCIL

VARIABLE RATE REDEEMABLE STOCK 1983

The Council of Ynys Môn Isle of Anglesey announce that the half-yearly payment of interest due on 19th October, 1981 on the above stock will be at the rate of £6.6875 (less income tax) per £100 stock.

THE ROYAL BANK OF CANADA

DIVIDEND NO. 375

NOTICE IS HEREBY GIVEN that a Dividend of 40 cents per share upon the paid up capital of this Bank has been declared for the current quarter and will be payable at the Bank and its branches on or after May 22, 1981 to shareholders on record at the close of business on April 24, 1981.

By Order of the Board.
R. J. MOORES.
Corporate Secretary.

UK NEWS—LABOUR

Bank staff in one-day stoppage over pay

BY NICK GARNETT, LABOUR STAFF

MORE THAN 10,000 bank staff in up to 1,200 bank branches, cash centres, computer and other departments could be involved in today's one-day stoppage over pay according to estimates late yesterday by organisers in the Banking, Insurance and Finance Union.

The stoppage, over the English clearing banks' 10 per cent pay offer which management is implementing, will hit some of the banks' computer operations and disrupt services to customers in High Street branches.

The union said yesterday that clerical staff at the National Westminster Bank's computer centre at Goodmans Fields, London, would be mounting pickets from last midnight. Data processing staff at Midland's computer centre at Brent, London, were also due to join the stoppage from last night.

Data processing staff at NatWest have voted two to one in favour of industrial action. This could mean a further stage of industrial action in computer centres run by NatWest, Lloyds and *Midland*.

Data processing staff at Lloyds Bank's Sampson House computer centre in London are voting clearly in favour of industrial action. Computer staff in the Midland are being balloted this week.

Action today could affect up to 300 or more High Street branches and other departments in London. The union said staff in Lloyds overseas division and Midland's international and head office sections together with the banks' Access departments would also be involved.

A majority of BIFU members taking part in today's stoppage *are expected to start an overtime* ban and work to rule from tomorrow.

That will test the response of the banks which are determined to resist industrial action. The special control group within the Committee of London Clearing Bankers was advised by bank negotiators last week to make a relatively low key response, at least initially, on the issue of suspending staff who refuse to work to contracts.

This is understood to have been accepted by the control group which is handling the banks' operational response to the dispute. This could mean that the banks will not adopt a *policy of very rapid and wide*-scale suspensions in order not to inflame the position and in the hope that BIFU's action will peter out. The banks' position on that, however could change.

BIFU is sending out ballot forms this week to more than 70,000 of its members in the English clearers recommending a further one, and *if* necessary two, one-day stoppages.

The ballot form which *members are asked to complete* by May 11, involves two voting categories—the pay offer is adequate and acceptable or it is unacceptable and staff are prepared to support the union's proposed action.

Attached to the ballot the union says that its executive committee is determined to resist the Federation (of London Clearing Bank Employers) and calls on all union members to join the demand for fair play by voting in favour of the proposed industrial action.

The rival non-TUC Clearing Bank Union, which has accepted the pay offer is advising its *members to work normally*. A circular from the National Westminster staff association, part of the CBU says the association is not in dispute with the bank. "Our members are asked to work normally and if necessary to cross picket lines to get to their place of work," the circular says.

Jobless forecast to reach 3m this year

BY PHILIP BASSETT, LABOUR STAFF

THE Manpower Services Commission, the Government's *employment services agency*, yesterday forecast that unemployment in Britain is likely to reach 3m by the end of the year.

The forecast by Sir Richard O'Brien, MSC chairman, is in line with those of outside *commentators but is higher than* previously-published Government assumptions on the headline total of unadjusted unemployment.

Figures to be published tomorrow by the Department of *Employment are expected to* show that the headline monthly total has passed 2.5m.

Sir Richard, commenting on the publication of the MSC's annual Manpower Review, said: "It is probable that non-*seasonally adjusted unemploy*ment will be at or close to 3m by the end of this year."

He thought the rate of the increase in unemployment was slowing, although he would not predict when it would begin to *level off or start to decline.*

The review itself, in line with the MSC's previously-published corporate plan, states that unemployment is likely to remain high and the recession likely to dominate the economy at least until the mid-1980s.

The review then predicts an upturn, though Sir Richard was being cautious yesterday. He thought unemployment levels would decline with an upturn, but he said: "It is going to be difficult to see unemployment to be falling below 2m."

The published unemployment *figures themselves may fall by* about 50,000 in a one-off reduction if the MSC accepts the principle of changes in the registration of the unemployed.

Sir Richard said the commission was likely to discuss the issue at its meeting later this month, *but that a final* decision was unlikely until May.

The review, and the MSC's recent Review of Services for the Unemployed, gives estimates for the Exchequer cost of unemployment. The commisssion *estimates that unemployment of* 2.5m would represent foregone national output of about £10.7bn, based on calculations of the lost production of goods and services.

In terms of revenue foregone *—lower tax and national insur*ance payments, increased social security payments, and the net cost of special unemployment measures — an unemployment level of 2.5m would cost a total of £7.405m.

The MSC *estimates that the* gap between 2.5m unemployed and a "sustained minimum" unemployment level of 700,000 implies annual output foregone of more than 6.3 per cent of gross domestic product, and an additional financial cost of about £5.5bn a year.

Sir Richard said that the new *Community Enterprise Pro*gramme, officially launched on April 1 to replace the Special Temporary Employment Programme as aid for the long-term unemployed, had got off to a promising start, and figures were showing that the target of 40,000 places by the end of the financial year was well accessible.

Applicants for permission to run schemes have been coming in to the MSC at the rate of about 90 a week for the past eight weeks, and about 400 people a week have been joining the scheme since the beginning of the year.

Dockers to discuss next pay moves

By Pauline Clark, Labour Staff

DOCKERS' SHOP stewards in the port of Southampton are to call a mass meeting on Friday to discuss their next move in a long-standing pay *dispute which threatens* to lead to further disruption of shipping operations from next week.

This follows rejection of an employers' offer to raise basic rates from £94 a week to £106 a week. Dockers claim this offer falls far short of meeting their demand for greater earnings comparability with non-registered dock workers.

Failure to reach a settlement has led to continuing industrial relations problems in the port since last month when the British Transport Docks Board ended its three-week long lock-out of dockers. The closure of the port was aimed at securing a guarantee from dockers that they would end their pay campaign.

The board said yesterday that the port's 1,600 dockers had since been "working rather slowly" and had been warned of "*serious damage*" being done to Southampton's shipping business.

● **DOCKERS' LEADERS in the Port of Bristol meet today to discuss pay proposals following a wave of lightning strikes last week.**

Negotiators for the 1,000 dockers in the municipally-owned port said there had been no increase in a 7.5 per cent offer but changes in the distribution of the increase had been proposed.

Thatcher 'destroying more than the blitz'

THE LEADER of one of Britain's largest trade unions, Mr. David Basnett, today accused Mrs. Thatcher's Government of doing more to destroy jobs and communities than the German *bombers did during* the last war.

Mr. Basnett, general secretary of the General and Municipal Workers union, told the Scottish TUC at Rothesay that the consequences of government *policies were to shift* wealth and power away from the people.

"They have done more to destroy jobs and communities than their fellow terrorists of the 1930s, and more than the German bombers did in the last war," he said.

Speaking during STUC's econ*omic debate, he said* 3.5m had been destroyed and a million more would be lost in the next 12 months.

"That is more jobs gone than there are peopl eliving in Glasgow," he said and amid applause went on to suggest a united use of industrial muscle to force an early general election and the return of a Labour government.

He said: "In the short term *we need two* survival kits. The first of these is a policy to survive the next three years of this Government. If individual unions, like the miners, the water workers, and electricity workers can *defeat this Government's policies, what could* we not do if we worked together?"

The second survival kit, he said, was for a revival of the economy under the next Labour Government. A crash programme of investment and other measures would be needed to create employment.

It was a policy which must be prepared and made known before the next general election and one in which the trade unions should be involved and on which they must agree.

Vickers men occupy plant

WORKERS at a doomed Vickers *plant* began an indefinite occupation yesterday. More than 200 men are employed at the non-ferrous metals division engineering works on Tyneside, which is due to close in the next three months with loss of *all 220 jobs.*

The defence systems division, which makes tanks on the same site at Elswick, Newcastle, is not affected, though 430 jobs are due to go in this division in the next 14 months.

The job losses were announced by Vickers three weeks ago. Unions had been negotiating only two days earlier for short-time work.

The company plans to move the reduced workforce to a £7·5m factory to be built a mile away, opening next year.

Mr. Jim Murray, works convenor, said the men handed back their redundancy notices because discussions were still going on. The management then posted the notices. He added: "They have decided to *occupy the plant for 24 hours* a day, seven days a week."

Labour leader takes up the cause of VF Jeans

John Lloyd visits the worker-occupied factory

MR. MICHAEL FOOT, the Labour leader, will spend this *morning in the canteen* at a small clothing plant—VF Jeans in Greenock — which has been occupied for the past 11 weeks by its workers in protest against its closure.

He will be surrounded by many of the plant's 240-strong workforce, mostly young women: he will be impressed *and they will be largely in awe.* Later, no doubt, he will convey his emotions to the 84th conference of the Scottish Trades Union Congress in Rothsay, the principal reason for his visit to Scotland's west coast.

Mr. Foot's deeper purpose in adding VF Jeans to his itinerary is to discover whether the dis*pute could be a rallying* point for the labour movement, which is reeling under daily closures, leaping unemployment figures and falling membership.

It was, after all, workers in the Upper Clyde Shipbuilders who, in 1971, forced Mr. Heath's Government to reverse its policy and to support a rescue opera*tion for the company.*

But the differences between the two industries, separated by a decade, suggest that the answer to Mr. Foot's question is no. First, the closure of a small clothing plant is not of major importance to a Government which has seen steel and car plants, shipyards and paper-mills shut their gates in the past two years. Even in Scotland the closure of VF Jeans is seen as much less a disaster than the closure of Talbot's Linwood plant.

UCS, by contrast, was a major industry company and employer at a time when closures were rarer.

Second, VF is a subsidiary of a U.S. multinational, VF Corporation of Reading, Pennsylvania and not a once-proud *home-grown company*, as UCS is. Textiles is a notoriously fast moving business in which labour *costs are of the essence*; openings and closures are common.

Third, UCS had a core of experienced and militant shop stewards, of whom Mr. Jimmy Reid and Mr. Jimmy Airlie were the best known: the workforce, skilled workers conscious of a radical tradition, were disciplined and determined.

VF *Jeans has one senior* steward, its workforce is largely young and the one union—the National Union of Tailor and Garment Workers—has a tradition of moderation in the face of cheap imports and steady decline. The union deliberated for seven weeks before making the occupation official.

Fourth, the company is adamant that the closure is necessary. VF Corporation, makers of Lee jeans and one of the world's biggest textile *groups, says* the closure had to come because of the dependence of the Greenock plant on Scandinavian sales. These sales have slumped badly in the past 15 months because of the high value of the pound.

VF Corporation refutes the charge that it is shifting the Greenock production to Ireland because of higher grants and cheaper labour, and points privately to a history of troubled labour relations in Scotland.

But the plant has some advantages which may enable it to survive as a symbol if the harsh light of national attention is shone upon it. The most obvious of these is Mrs. Ellen Monaghan, the senior steward.

The company attempted to sack Mrs. Monaghan for being a troublemaker in 1971, but she brought out the workforce on a four day strike, which ended, she says, in her reinstatement *and the manager's dismissal.* She and her fellow steward Mrs. Bridie Bellingham are the architects of a remarkable piece of industrial action.

When Mrs. Monaghan learned of the intention to close the factory late in January, she begged the company to share the effects of a 25 per cent drop in orders across *all four UK* plants by introducing short time working.

When this was refused, and closure announced to the workforce on February 5, she called a *mass meeting*, and got overwhelming support for an occupation of the plant. She then organised the barricading of *the plant's doors that same* night to prevent the management turning off the power and closing the canteen.

Mrs. Monaghan and Mrs. Bellingham have divided the workforce into occupation shifts —12 hours each—with a day off between them. They have hired a bus to bring the shifts to and fro, bought in the food for the canteen and worked out, with rough justice, how the money left over should be shared.

They have been sustained by several factors: the women's *cheerfulness and refusal to give* up, the reluctance of VF to stage a confrontation, the strike pay from the union, the sympathy of the labour movement (which has contributed heavily to the occupation fund) and by *a belief in victory.*

"I believe we will win," said Mrs. Monaghan. "I just don't believe that a plant like this, which was efficient, will be allowed to die. I think someone else will take it on."

هكذا من الأصل

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

U.S. descaler for heated water circuits

A U.S.-MADE *hydrodynamic* descaler for treating the pipes and channels in heated water circuits, marketed in Britain by HDL, Horley, Surrey (029 34 75014), is claimed to prevent all deposits of dissolved minerals in the water, typically calcium bicarbonite, by means of a strong magnetic field.

The device is installed by replacing a short section of pipe in the cold water feed to the circuit to be descaled and/or protected, says HDL.

The size of the unit depends on the flow-rate, the smallest being suitable for a *flow of* about 900 gallons an hour. Other standard units are claimed to be capable of treating up to 700,000 gallons an hour for the cooling water supply to a power station or a steel furnace. Special versions can be supplied to order.

When the device is installed in the cold water feed the magnetic field excites the electrons in the molecules of *dissolved minerals, thus* preventing their crystallisation and causing them to precipitate as *minute* particles. Most of these particles remain suspended in the water flow and pass straight through the system, while the remainder settle at points in the piping where they can be drawn off periodically through a trap.

At the same time, any existing scale crystals begin to break down and are also carried along to the trap for periodic removal. Measurable improvements can *occur within seven* to 14 days, says HDL.

The descaling unit is self-contained, self-powered and has *no moving parts.* It requires no floor-space, chemicals, electrical connections or labour, apart from the possible annual removal of slurry from the traps.

The system was devised by the Hydrodynamics Corporation, of Gretna, Louisiana, and is said to be used by the U.S. National Coast Guard Institute, Miami International Airport, the State Government of Cali*fornia and the departments of* the Federal Government in Washington.

Metcut for Birmingham

AN EXHIBITION to promote the sales of metal-cutting machine tools and related machinery and equipment is to be organised and mounted by the Machine Tools Trades Association jointly *with the* National Exhibition Centre, Birmingham.

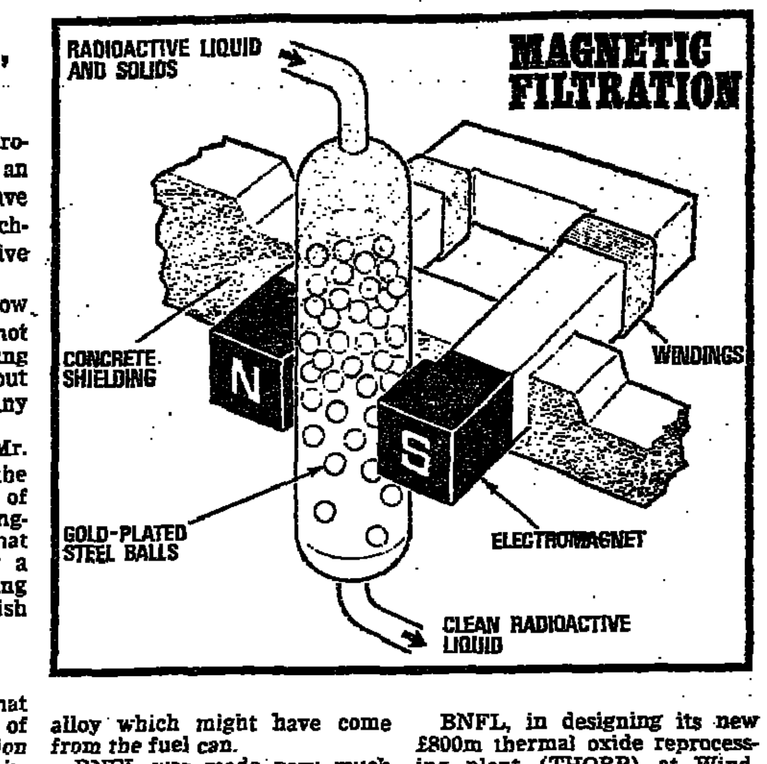
Named Metcut 82, it will be held at the NEC, Birmingham, *from March 25 to April 2 next* year in parallel with three other engineering exhibitions: Metalworking 82, Subcon 82, and Die Casting 82. *The four shows are* expected to cover an area greater than that of the record-breaking international machine tool exhibition Mach 80.

Unlike previous MTTA exhibitions, Metcut 82 will be open to all comers. It is already attracting leading manufacturers and suppliers from Britain and overseas, the organisers say.

It is also expected to attract makers of robots, control equipment, welding machines, measuring equipment, gauges, gears, cutting tools and foundry plant. Full details from Metcut 82, 62 Bayswater Road, London W2 3PH (01-402 8671).

Electro-magnets to filter radio-activity

BY DAVID FISHLOCK, SCIENCE EDITOR



A PAIR of powerful electromagnets salvaged *from* an abandoned atom-smasher have been used to develop new techniques for filtering radio-active effluents and airstreams.

British Nuclear Fuels now believes it may have found not only a simpler way of cleaning up some of its own messes, but one which may interest many other industries.

The story began when Mr. John Williams, in charge of the technical services group of BNFL at Risley near Warrington, Cheshire, learned that British Oxygen was making a cryostat for a superconducting magnetic separator for English China Clay.

Problem

This gave him the idea that the troublesome sludge of *highly radioactive fission* products and pyrophoric zirconium particles present in reprocessing liquors might respond to magnetic filtration.

The problem arises in the reprocessing of oxide fuels, which remain in the reactor much longer than natural uranium fuels and accumulate a much richer assortment of fission products. Some of them are insoluble in concentrated *nitric acid. Also insoluble* are any fragments of zirconium alloy which might have come *from the fuel can.*

BNFL was made very much aware of the dangers of this insoluble sludge when some of it caught fire in a pilot reprocessing plant at Windscale in 1973, forcing radioactive vapours past seals in the plant and exposing operators to radiation.

Another problem for the operator is that some of the residue is highly gamma-active *and can break down the organic* solvents being used in the plant.

BNFL, in designing its new £800m thermal oxide reprocessing plant (THORP) at Windscale, expected to install high-speed centrifuge separators to clean up the nitric acid solution of spent fuel. Magnetic separators offer a possible way of avoiding the difficulties inherent in having to seal up high-duty machinery within the concrete vaults of the plant.

John Williams discovered that the Daresbury laboratory of the Science Research Council in Cheshire was breaking up NINA, an obsolete synchrotron with numerous 20-kilogauss electromagnets. He borrowed two, and commissioned research with them into magnetic filtration from International Research and Development (IRD) in Newcastle and the UK Atomic Energy Authority's Winfrith laboratory in Dorset.

The system works because the reprocessing residues, although not of iron, are weakly magnetic — paramagnetic — and, therefore, attracted by a strong magnet.

The magnetic filter is simply a vessel filled with small balls of ferritic steel, 3 millimetres in diameter, placed between the poles of the electromagnet, as shown in the sketch. When the reprocessing liquor flows past the steel balls all traces of solids "plate out" on their surface. This radioactive incrustation is easily washed off when the magnet is no longer energised.

The steel balls need protection against hot nitric acid. The research laboratories of Johnson Matthey came up with a new process for depositing non-porous films of pure gold only 100 microns in thickness. It uses an electrolyte of molten salts. Williams has had the steel balls boiling in nitric acid for a year with no sign of corrosion.

BNFL has spent about £250,000 so far in exploring four potential uses for magnetic filtration. The most important is the replacement of centrifugal separators for THORP, for which IRD has been the main research contractor.

Experiments have used chromium *particles instead of* fission products, chosen because they have very similar magnetic properties without the *radioactivity. BNFL plans to* build a full-scale pilot filtration plant at Windscale before making its final decision *whether to incorporate* the idea in THORP.

A production filter may require a 30-kW electromagnet. But Williams would not expect BNFL to risk the newer technology of superconducting magnets for such a critical task.

At Winfrith, experiments are being made into another troublesome filtration problem —removal of traces of plutonium remaining in effluent streams. Current practice is to precipitate it out with ferric hydroxide, which produces a *gelatinous residue, slow to* settle and requiring large settling tanks. The experiments have shown that plutonium can be removed completely by magnetic filtration.

Residues

Winfrith has also carried out small-scale experiments on radioactive liquors, using a glass tube with a steel wire passing along its axis to simulate the magnetic filter. *In this way* scientists can watch through a microscope as residues carried along in the liquor plate out on the wire.

Another idea that BNFL has asked Winfrith to investigate is the use of a magnetic filter to remove *plutonium* oxide dust from air ventilated from glove boxes in which plutonium is being worked. Normally, this *is done with glass-fibre filters,* which are expensive to make and expensive to dispose of, once contaminated with plutonium.

John Williams has another idea for using his magnetic filters in solving one of the leaks which Windscale has sprung in the past few years. This one is the cracked concrete silo containing fuel cans peeled from Magnox fuel, stored under water to prevent the pyrophoric magnesium alloy from catching fire. A crack in the silo—still unlocated—is allowing radioactive water to seep into the ground.

The main source of radioactivity is traces of uranium oxide adhering to the Magnox alloy cans, which is strongly paramagnetic. Williams believes that he may be able to devise a magnetic filter to help Windscale drain its leaky silo.

Connect II lowers skill level

LATEST addition to the range of services available on Mark III, the largest commercial computer services network, is Connect II, a product developed by *Canada's first public computer* software company.

The product is of interest because it allows customers to *interact on-line with IBM pro*ject management modules. What is interesting about that is that these IBM modules are batch systems which would not ordinarily lend themselves to an on-line treatment.

According to Mr. T. M. Williams, founder and largest single shareholder in Sydney Development Company, the Connect II package is one of the first to make use of the concept *of artificial intelligence in com*puter software.

The foundation of the package, a module called Converse, enables a user to take a batch system and make it appear on-line.

According to the company, IBM's project management systems require a high degree of skill to use—Connect II lowers the level of skill necessary to use these systems.

Sydney Development Company has just set up a UK subsidiary under the managing *directorship of Mr. Ray Prior.*

Connect II is likely to be available soon on the Mark 3000 network, the IBM service equivalent to Mark III also run by Geisco, the computer services arm of the General Electric Company of America.

Geisco is on 01-242 5725, Sydney Development on 01-235 2939.

Saft introduces four more types of lightweight lithium batteries

TO MEET the developing needs *of electronics in industry,* aviation, defence and medicine, four more types of small, lightweight lithium batteries have been introduced by Saft (UK), the British subsidiary of the French Saft group.

As well as its lithium silver chromate range, Saft is now supplying lithium thionyl chloride, lithium copper oxide, lithium manganese dioxide and lithium lead bismuthate *batteries.*

The main advantages claimed for them are safety, performance, reliability, long operating life over a wide temperature range, and up to ten years' storage life.

Saft claims that the high energy densities attributable to *the use of a liquid* cathode makes the lithium thionyl chloride couple the best performer of all lithium couples *now available in standard sizes.* With its ability to function efficiently at extremely low temperatures this 3.5V battery is said to be a suitable power source for low-temperature flashlights, offshore oil rig equipment, scientific and medical instruments, cold-room sensors and thermostats, and military devices.

The high voltage of the lithium thionyl chloride couple, and its stability under most discharge conditions, is claimed *to prepare the way to simpler* and more efficient designs of electronic circuit, while the use of a special electrolyte alleviates the initial voltage drop which often occurs after the prolonged storage of this type of cell.

The high capacity, electro-chemical stability and long life claimed for Saft lithium copper oxide cells and batteries, with a nominal voltage of 1.5, make *them an efficient energy* source for most advanced electronic systems, including microprocessors, and down-well oil logging equipment.

The small size and slim shape of the lithium manganese dioxide series of 3V button-cells permits their use in miniaturised applications such as LCD watches, pocket calculators, electronic alarms, measuring instruments, and fuses for explosives. The Saft LM2425 type has a capacity of 200mAh in a *button-cell shape* only 2.5 mm thick.

The 1.5V lithium lead bismuthate button cells are claimed to have a low internal resistance which makes them especially suitable for analogue quartz watches and pulsating electronic devices. In the IEC R44 version it is interchangeable with the standard SR44 silver oxide button cells for many applications, says Saft.

Refrigerant air-dryers by Sullair

REFRIGERANT type air dryers for use with compressed air supply systems have been introduced by Sullair (UK), Horton Road, West Drayton, Middlesex. Marketed as the Sullair PS range, 18 models are available with a capacity range from 92 to 5,000 cfm at 35 degrees F dewpoint and 125 to 6,000 cfm at 50 degrees F dewpoint.

Applications for the air dryers are many and varied. In general engineering, efficiency is increased using tools powered by dry air, while machine tools using compressed air operate more efficiently.

For injection or blow moulding and extrusion, as used in plastics production, a dry air source is essential for quality of product and minimum of maintenance, while in the finishing *industries paint spraying equip*ment powered by dry air will ensure high quality and even surfaces.

The food industry is a big user of air dryers where large volumes of air are employed in processing and packaging.

Each Sullair dryer is contained in a steel cabinet. Individual gauges show inlet air temperature, inlet air pressure, refrigeration suction pressure, *refrigerant head pressure* and discharge air pressure.

Shot-blasting without ducting

A SHOT-BLASTING room that operates without ducting, thus reducing dust extraction running costs by an estimated 75 per cent, has been designed by Power Blast, Camberley Surrey, (0276 28888), *which claims to* have achieved up to six air changes per minute while maintaing perfect visibility.

A shot-blasting room measuring *only three metres in all* dimensions needs only 1 hp to effect four complete air changes per minute, the company says. The air movement is achieved by combining extraction, using aerofoil wall fans, with the purging action of high-speed axial projection fans and nozzles.

The air circulation system depends on the extraction fans creating a slight atmospheric depression at low level, thus removing the dust-laden air.

It is displaced by a stream of cleaned air which has been passed through the filter cell and then blown at high level to *the opposite side of the blasting* room.

The dust is carried with the outgoing ventilation air, which *expands in the dust box* and precipitates the particles on to the floor. Dust still in suspension is carried into the filter cell by the air stream and deposited on to the surface of the filter cloth.

NEWS IN BRIEF

Dock tractor

CLAIMED to be one of the most manoeuvreable dock tractors available, the AB dock truck put on the market by Adamson Butterley is designed *especially for roll-on roll-off* work.

It has a patented articulated steering system and a turning diameter of 9.15 metres, which is said to enable the truck to position trailers very accurately and also place them into spaces that might otherwise be inaccessible.

Full details of the new trucks are obtainable from Adamson Butterley, Horsehay, *Telford, Shropshire* TF4 3PU (0952 505881).

Security device

CLAIMED to be *suitable for* industrial, commercial and domestic use, a new security alarm device introduced by *Almira Control Systems* (0344 54051) provides as many wired contacts as may be required and can also function as a telephone pager. The central unit alerts the user, by means of a pocket pager, whenever a contact is broken, when the telephone rings, or when a child cries.

With other detectors it can be used to actuate a wide range of remote alarms signalling a shortage of boiler fuel or frost damage. Named the T.A. Unit, the alarm system operates with a "bleep" signal which can be received at distances up to 7 km, depending on the type of antenna used.

ILAC guide

The first world-wide guide to testing, laboratory approval and assessment systems will soon be published by ILAC, the standards specialists.

Called the *ILAC Directory, 1981,* it is designed to help users understand these systems as they apply to products they may wish to import or export. Information from 29 countries from Belgium to China is covered.

At a price of U.S.$100, the guide will be available from next July.

ILAC — the International Laboratory Accreditation Conference is now four years old. It is a formal association of experts from some 40 countries. More details on 01-7242 0112.

Micro-cleaner

WHAT *ib claimed to be* the first British-made commercial vacuum cleaner to use microchip technology has been introduced by Truvox Floorcraft (0703 785123). The Vactronic has an electronic cut-out device that alerts the user visually when the machine overheats as the result of a blockage. It also switches off the motor when the temperature rises to a pre-set point. The safety device ensures the machine *is* immobile until the on-off switch has been reset manually. The printed control circuit can be replaced quickly, says Truvox.

Fine powders

A NEW PROCESS designed to reduce steel, rubber, or plastics scrap to fine powders for recycling has been developed by Cavadell, East Peckham, Kent (0622 871116). Named the Cryomic process, the scrap material to be pulverised is first made brittle cryogenically by reducing it to extremely low temperatures by means of nitrogen. The fragments are then reduced to micron-sized particles *in a fluid-energy* mill using compressed gases and a venturi duct system.

A measure for the daily pinta

A MILK METER designed to help dairy farmers to feed herds the optimum amount of concentrate to achieve the maximum possible yield per cow has been introduced by Foss Electric (UK), York (0904 707944). Named the Milko-Scope II, the meter has been *approved* by the Milk Marketing Board. It is totally enclosed, so that the farmer can record the yield *without* risk of air contamination of the milk.

Total yield

The meter is fitted between the cow and the milking machine, and as the milk passes through it. Five per cent of the volume is screened into an accurate but easily-read measuring chamber. At the press of a button an amount proportional to the cow's total yield, or a sample of constant volume, is automatically transferred to a renewable sample cup and all the remaining milk emptied without waste. If a sample is not required the cup can be by-passed.

Foss claims that *the Milko-*Scope II is easily fixed by an integral bracket to high or low-mounted milk lines, robust, easy *to maintain,* simple to recalibrate, and can be cleaned as part of the milking system.

FINANCIAL TIMES SURVEY

Wednesday April 22 1981

International Storage and Handling

The UK Government estimates that the national cost of materials handling represents 20 per cent of GNP. After a decade of growth through the 70s, this multi-million pound industry has had a difficult year, but better times are in sight.

A little advance goes a long way

By Hazel Duffy

Industrial Correspondent

HANDLING AND storage is a multi-million pound industry which has a tremendous contribution to make to the achievement of efficiencies in *industry and distribution*.

The industry itself benefits from the fact that it frequently forms an important part of the modernisation process which is constantly being undertaken by industry. At the same time, the bulk handling and storage of materials lends itself to a wide degree of innovation and improvement with resultant cost savings on the final product.

It has been estimated by the U.K. Government, for example, that the national cost of materials handling alone represents close to 20 per cent of the gross national product, which gives an indication of the benefits that could be gained from even small improvements in handling efficiencies.

Well-planned handling and storage facilities can provide a significant opportunity to manufacturers both to make savings and to ensure that deliveries can be arranged to the satisfaction of the customer. They can also contribute substantially to the wellbeing of the consumer, for example, at an airport, where modern handling and control systems speed up the rate at which baggage retrieval is effected, and provide the smooth transfer of the passengers themselves.

There are two distinct categories of handling and storage covering bulk materials and the movement and storage of units. *Although there is considerable* overlap in the equipment that is used in both sectors — conveyors, for example, are an integral part of the bulk handling process while they *also form the core of the move*ment of goods in factories and warehouses — there are other types of equipment which are special to the individual sectors.

The handling of bulk materials like coal and ores from the point of extraction to the place where they are graded and sorted and then to the point of loading, requires complex, custom-designed equipment. The revival of the coal industry in many parts of the world has provided a mild boost for the manufacturers of specialised conveying equipment, who have achieved some remarkable feats in innovation and design.

The manufacturers of such equipment must plan along international lines, and most do so. There would only be a limited number of companies with the required capability, and only a few such major projects around the world in any one year. The handling element is frequently tied into an overall package approach, emphasising the necessity for companies to be able to form consortia and to identify one as the contractor taking overall responsibility for the project.

As far as coal handling and storage is concerned, British companies have the advantage that they tend to be the preferred providers of equipment for the State-owned Coal Board and have gained considerable expertise from the coal development programme which can be applied elsewhere in the world. Similarly, the specialist requirements for the handling and storage of oil and liquid petrochemical products have been greatly advanced by the development of North Sea oil although British companies have not always been able to adapt sufficiently.

Competitive

British conveyor manufacturers, traditionally geared to the domestic market, have scored some success in their exporting efforts over the past couple of years in spite of the fact that the high value of sterling has not been in their favour. This is a highly competitive market, however, in which U.S. and Japanese manufacturers can offer attractive prices and although the U.K. has increased its share of world trade, the overall level of trade is sharply down in the past year.

In spite of the financial and operational benefits that can be gained by investing in improved handling and storage techniques, manufacturers frequently look upon this area as coming low down in their scale of investment priorities. This has been particularly true in the UK where low wage levels in comparison with competitor countries have obscured the obvious advantages.

Japanese industrialists have been much more receptive to new methods in those areas such as automated warehousing and handling of components in the production process. The most exciting example is the Government co-ordinated project which aimed originally to build and operate a completely automated machine shop with manned and unmanned areas. The project has since been modified, but it is now planned that a small, mainly unmanned factory will come into operation by 1985, making automotive components.

The materials handling systems will be computer controlled and robots will load and unload conveyors in the machining, assembly, testing and final inspection departments. The system will also handle raw materials, consumables and bought-out parts.

This degree of automation is much greater than can be expected to be implemented elsewhere—in fact, for many manufacturers and distributors, a semi-automated handling system is probably most suited to their needs. Nevertheless, it provides a glimpse of the sort of co-ordination of systems in manufacturing and process industries which will increasingly be required if the international competitive pressures are to be met.

Much of the handling and storage industry is more concerned with the fragmented requirements for the replacement of, for instance, a fleet of lift trucks, an overhead crane or some electric hoists (as an attachment to a crane or for independent use). Investment in all this type of equipment has been sluggish in the past year as industry has cut capital spending and the life of equipment has been extended.

Growth markets are confined to the new oil-developing countries, and the handful of coun*tries where the economic base* is still flourishing. Against these have to be set the fall off in Middle East markets which provided an outlet for the over-supplied Western economies for a few years. Competition is intense in every market and the pricing structure of certain products, for instance, lift trucks, is particularly weak.

Those suppliers who are dependent on the level of spending by industries such as steel, ports and railways, cannot look forward to any substantial improvement in the year ahead. *Heavy crane makers have suf*fered in particular, and the past year must hasten the anticipated restructuring of the industry in Europe.

There have been compensations, however, for the huge drop in investment by industries such as steel—specially designed offshore cranes have been bought, for instance, by the oil companies operating in the North Sea.

During most of the 1970, the handling and storage industry enjoyed unparalleled growth as the post oil-crisis pressures built up on manufacturers and distributors to become competitive internationally. The industry itself has sometimes been its own best advertisement, investing in modern techniques which it could show to potential customers.

Parallel expansion in areas *like docks*—both in the modernisation of existing docks and the construction of new port facilities in the Middle East—airports and new buildings ensured that there was plenty of business for the well-run company.

Changing

The situation has changed dramatically in many parts of the world, however, and the industry has now to assess likely levels of activity in the 1980s. Whatever level this turns out to be, it is reasonable to assume that the nature of the requirements on the industry will be changing. Over the next few years, for instance, it has been forecast that a quarter of all warehousing demand will be for automated or semi-automated facilities.

In the UK there are encouraging signs that in spite of the cutback in capital spending, industry is becoming much more conscious of the savings that can be effected in due course by the introduction of automated methods. The intense interest that has been aroused by the new BL Metro plant in Longbridge, which incorporates advanced handling techniques as well as advanced machining and assembly, can be seen as an example of moves in the right direction.

The sort of competitive pressures that have been exerted on the passenger car industry are being felt increasingly in other *areas of manufacturing* and investment in better handling could be seen as an essential weapon in the battle to hold off imports, rather than the peripheral adjunct to the produc*tion process which as frequently* characterised British industry's attitudes.

It will be the companies that can adapt to this type of demand which will prosper in the period ahead, while those which have been unable to display sufficient flexibility and innovation will find the future very tough.

The expectation in the new growth markets is increasingly for a package approach and in established markets also the customer will be looking for comprehensive deals. In a highly competitive industry, survival more than ever will depend on meeting those requirements.

An ash-grabbing Carruthers Goliath crane at work in a power station

Earls Court Exhibition

About 200 exhibitors will be at Earls Court on Monday for the opening of the fourth Storage Handling and Distribution Exhibition. It continues until Friday, May 1.

CONTENTS

Rationalisation brings major benefits to BREL

SPARE PARTS

LORNE BARLING

BRITISH RAIL Engineering Limited (BREL) has recently completed a warehousing system at its Derby Litchurch Lane works which is a prime example of how a complex and costly system of parts supply can be rationalised with numerous benefits both immediately and in the longer term.

The problems BREL faced were perhaps unusual in that some 38,000 types of parts, ranging from delicate electronic equipment to large steel components, must be available for the large range of construction and repair activities which take place on the 103-acre site.

These include components for the High Speed Train, the Advanced Passenger Train, wagons, coaching stock, diesel multiple units and a range of rolling stock export orders. Stores must also be kept for the refurbishment of as many as 50 different types of existing stock with an age range of up to 30 years.

BREL recently decided that its system of holding these stocks in 20 different locations on site, which also had to supply up to 200 depots around the country, had to be drastically improved. Additional rented space was also being used, which was proving costly in terms of charges and transport.

The first step was taken in 1978 when an industrial engineering survey was carried out, examining in great detail the movement of components and materials so that it could be established how and where goods could best be stored. From this it was decided that around 80 per cent of them could be accommodated by various means on a standard 1 metre square pallet. The remainder, mainly raw materials such as steel, glass and soft items for train seats, would have to be stored by other means.

It was initially estimated that the construction of buildings (including some office space) and a modern warehousing system, would have cost around £1.7m. However, at that time two buildings on the site became vacant, through the decision by British Rail to end manufacture of containers, which were seen as a suitable means of reducing costs.

Although one of these buildings was around 100 years old, they both had sufficient headroom to be suitably converted, and plans went ahead on that basis. A total of 17 companies were invited to tender for the work, and at that time competition was fierce, so BREL believes it benefited accordingly on the prices quoted.

Paying off

Mr. Geoffrey Seal, the technical services manager, was responsible for the overall supervision of the project, and detailed planning was carried out in conjunction with the works supply officer, since it was essential to keep the flow of parts going while transferring to the new system. This has been one of the most difficult aspects of the scheme, and as it nears completion, early planning is now paying off.

In July last year Dexion, one of the UK's leading warehouse equipment companies, was picked to do the job which has recently been completed at a cost of around £500,000. When fully operational, it will be handling stocks worth around £32m a year and an overall return on the investment will be achieved in three to four years.

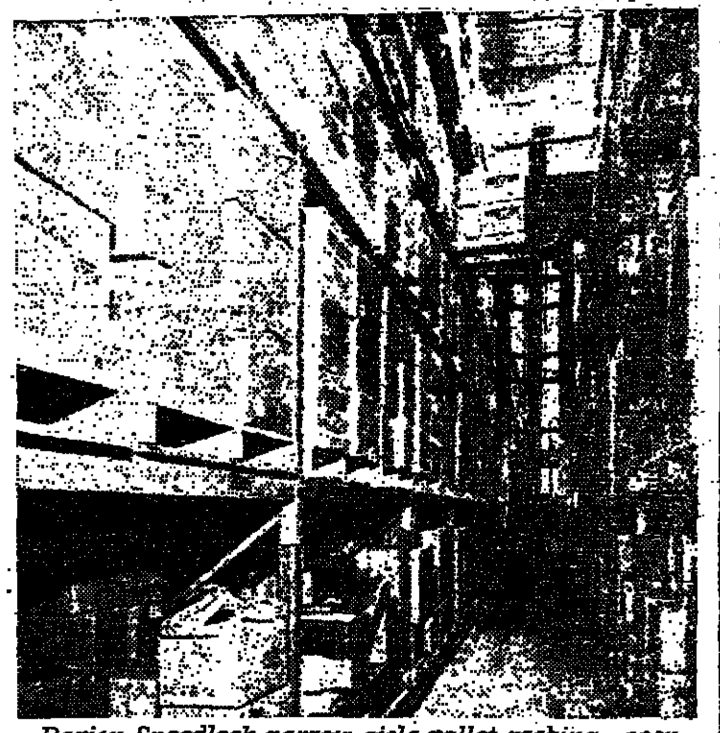
The system chosen for the main warehouse is narrow aisle racking served by five trucks, of which two are order pickers, two for pallet handling and one combined operation truck. Dexion was not the lowest priced tender but with some problems relating to the floor loadings, it offered a system of racks mounted on sections which doubled as guide rails. This was a major factor in Dexion's favour, since it was the only company to come up with this idea.

Maximum use has been made of the 16 ft 9 in headroom and suppliers are being urged to adhere to guidance on unit loads on the 1 metre sq pallets, allowing ease of administration on provision of parts and stocktaking.

Around 60 per cent of components fell into the "small parts" category which were suitable for order picking, while a number of separate storage areas were decided upon for special items such as glass, timber, aluminium alloy, steel sheet and bar.

With BREL now introducing computer controlled production systems, it is increasingly important for the already computerised stock control to be linked to computerised handling and distribution as the new warehouse system develops.

Mr. Seal points out that in an industry so dependent on political decisions, it is essential for flexibility in stock control, and he believes this will achieve it. It will also save man-hours in providing batches of parts distributed in advance of requirements, rather than on demand by men who come to collect items.



Dexion Speedlock narrow aisle pallet racking—seen here at Baird and Tatlock (London) Ltd.—is employed at the BREL warehouse

Although initial savings on manpower within the stores system have been comparatively small, down from 113 men to 97, productivity is rising sharply and there may be more savings later. "The inflexibility of the labour force has been reduced by mechanisation available," Mr. Seal says, pointing out that skills have been improved by retraining.

By moving virtually all storage into warehouses, working conditions have been improved considerably and the cost of restoring materials which have been damaged by weather will be eliminated.

Centralisation of warehousing also provides advantages in concentrating incoming loads in a particular area, an important factor with around 40 rail and road vehicles a day arriving on the site. Security is also improved with better control over components.

In the longer term, the savings on manpower will be substantial, although they are difficult to judge in terms of hours. Stock checking, for example, will be a far easier undertaking and the use of mini-computers for pallet control is being examined.

Overall, the rationalisation means that the space used for storage has been reduced from 270,000 sq ft to around 150,000 sq ft, with the remainder being released for manufacturing purposes. Efforts have also been made to reduce the level of stocks where possible, reducing the sums of money tied up unnecessarily.

The company is now satisfied that it not only has an efficient parts distribution system, but one which can be adapted and developed to meet changing needs. With British Rail now awaiting the construction phase of the Advanced Passenger Train, this flexibility could be needed in the not too distant future.

Interest in automation gains ground

EQUIPMENT SUPPLIERS

HAZEL DUFFY

THE WAREHOUSE forms an integral part of the manufacturing and distribution process: it is the place where the final product is stored awaiting delivery to the customers, where spare parts are kept, and acts as the central storage depot for chains of retail stores.

It is also an essential part of the inventory control in any company, and is therefore a vital link in the process of ensuring that deliveries are made to the customer on time.

Warehouses are mostly organised on conventional lines, with the versatile lift truck, overhead crane, storage racks and conveyors forming the most commonly used equipment. They can also be very labour intensive and occupy expensive pieces of land. For these reasons, it is an area that lends itself to extensive development along more automated lines.

The lift truck is the most versatile piece of equipment in most warehouses. It has the attractions of being relatively easy to handle, it is manoeuvrable, and can be used extensively indoors and out to load and unload a large variety of different sized products. A large number of manufacturers make lift trucks for this highly competitive market, enabling the buyer to choose the best type of truck for a particular purpose. In addition to the standard truck, equipment such as reach trucks and straddle carriers are also available where the requirement is for the movement of heavy loads or high storage arrangements.

Overhead cranes have the advantage that they can lift very heavy loads, and do not occupy any floor space, while fixed conveyors can also prove an efficient method of transporting goods around a warehouse.

Order picking stores are also found in many forms for the storage of spare parts, manufacturing plant, etc. They use order picking trolleys, ladders and load-carrying lifts and are planned generally in single- or multi-storey floor arrangements. Increasingly, however, such stores are being organised with high bays and narrow aisles which take maximum advantage of the space available, particularly if the warehouse occupies a tall building.

Several companies offer order pickers and stackers, both UK-based and imported. Most such companies already have an involvement with other types of handling equipment, whether lift trucks, cranes, etc. and include companies such as Coventry Climax, Lansing, FATA, Jungheinrich, Kone, Clark, Demag, Komatsu and many more.

Custom-designed

Warehouses need to be custom-designed if they are to be most effective and can require substantial investment. As an example, the warehouse handling division of Mannesmann Demag in the UK recently received a £1m order for complete warehouse handling equipment to store HMSO publications.

The new warehouse incorporates two pallet stacker cranes with two transfer bridges in eight aisles complete racking. Pallets are brought from the bulk store to the order picking store, where order picking cranes are used for the selection of pamphlets and books from shelving. A conveyor system links the order picking store to the despatch area.

Efficient warehousing, in common with other areas of unit handling, is frequently neglected in the assessment of investment priorities by companies. One of the reasons is that it is difficult to quantify the financial savings resulting from such an investment, although, in fact, there can be considerable benefits in areas such as quality control, labour levels, as well as improved working environment.

Among the advanced industrial economies, Japan, not surprisingly, has invested most heavily in automated warehousing systems. There are said to be about 1,700 in Japan, 1,000 in the U.S., 500 in West Germany and only 70 in the UK. Considerable concern has been expressed by official bodies in the UK for this lack of interest, which is probably due mostly to the fact that labour costs have been low traditionally in comparison with competitor countries.

Cheap to run

The advantages of automated and semi-automated systems are put as low running costs, minimum use of floor space and tighter control, while there are growing possibilities of linking the features of control of warehouse functions with that of automated process control systems. An automated storage retrieval system is an essential part of this type of warehouse, while it also needs an overall systems engineering approach in designing the whole concept.

This is undoubtedly one of the reasons for the slow development of automated systems in the UK, the traditional problems being that the experience of equipment manufacturers need a co-ordinator to undertake the contracting requirements of a complete warehouse. Two UK-based companies which have developed this approach are Dexion (which is U.S.-owned) and Babcock, albeit based on experience in other countries.

There are signs, however, that British industrialists are becoming more interested in these systems — as well as independent operators of warehouses and cold stores. Other sectors which are tending towards automated or semi-automated installations are those in high volume mechanical and electrical engineering production, food, drink and tobacco wholesale and retail distribution centres. A recent report predicted that there will be at least 50 to 100 new installations in these sectors in the UK over the next five years.

The expertise for developing the equipment which is required in such installations, such as automated industrial trucks and stacker cranes, is known to exist in the UK (although mechanical handling companies are thought to devote far too little to research and development spending) but there is a clear need for a more broadly based company, probably in engineering, to bring together this knowledge and exploit this growing market fully.

Automated warehousing, however, has not been without its drawbacks. Problems have been widely reported in such cases, which have certainly not been restricted to the UK.

For this reason, a manual back-up system may well be preferred such as that installed by Wiggins Teape recently in its new finished product store at the South Wales paper mill complex. A team of specialist contractors was formed with Brockhouse Finspa Handling as the co-ordinator of the consortium.

Over £1m of equipment has been put into the warehouse which operates a continuous 24 hours, seven days a week schedule, but which has a number of built-in back-up systems should there be a failure of any sort.

No two warehouses can be the same, but increasingly the experience is being built up by main contractors and the equipment suppliers to find the most suitable solution to any customer's problems.

UK increases world trade share

CONVEYORS

LORNE BARLING

THE BRITISH conveyor industry, though suffering from slow growth both in home and export markets, has the enviable record of having steadily increased its share of world trade over the past few years and its prospects are particularly good in such areas as coal handling equipment.

The value of output by the industry, at 1979 prices, increased from a little over £300m in 1975 to peak at £348m in 1979, while the value of exports has risen from around £50m to £78m during the same period, and the UK share of the world market went from 4.7 per cent to 10.8 per cent. Although the value of output fell to £248m last year, and exports declined slightly, share of world trade rose to 11.9 per cent.

However, UK conveyor manufacturers remain behind West German and French suppliers in most product categories in world markets, with the former holding a total share of 36 per cent and the latter 13 per cent. Japan, the United States and Italy each hold around 9 per cent.

West Germany has traditionally held a major share of world markets for pneumatic, roller, band and belt conveyors, types which Britain has not normally sold in large quantities, although with exports of pneumatic conveyors worth $10.9m in 1979, the UK has overtaken France in that category.

The strength of British companies remains in special conveying equipment such as teleferics (overhead systems), wagon handling, bulk stackers, feeders and ship loaders, such as the coal handling equipment which is a particularly successful export for Britain.

Mr. Robert Taylor, secretary of the National Economic Development Office's mechanical handling sector working party, points out that the UK conveyor industry is extremely diverse in terms of products, size of companies and the amount of subcontracting which takes place.

350 involved

In total there are around 350 companies involved, but around 10 per cent of the largest account for over half the industry output and about 70 per cent of direct exports. Around 33 per cent of companies are solely in bulk handling, 19 per cent solely in unit handling, and 48 per cent are in both.

About 60 per cent of companies are general manufacturers, 24 per cent manufacturers and designers, and 16 per cent specialist suppliers, while perhaps a third of output is standard equipment and two-thirds custom designed.

CONVEYOR INDUSTRY PERFORMANCE

(£m)

Year	Output	Exports	Home market	Imports	UK share as % of world trade
1975	302	49	278	25	4.7
1976	295	47	275	27	4.6
1977	297	57	265	25	5.7
1978	306	54	281	29	6.9
1979	348	78	308	38	10.8
1980	284	73	254	43	11.9

Source: Department of Industry.

"Sub-contracting is very significant in the industry and this is one of the reasons why indirect exports are very high," Mr. Taylor says. Although the industry has traditionally relied on the home market, exports have risen as a proportion of output over the past few years, notably in recent months due to the recession.

Conveyor manufacturers have been particularly hard hit by cutbacks by the nationalised industries, such as coal and steel, which normally account for around half domestic sales. The proportion of exports to comparable industries overseas is probably even higher.

The major overseas markets remain the industrial nations in North America, Europe and the Far East, where the highest unit growth is also evident, although some newly industrialised countries show the highest percentage growth, particularly in South America.

Imports up

"It is interesting to note that between 1978 and 1979 import shares generally increased, particularly for OPEC and other developing nations. The industrialised nations' share of their own home markets also dropped significantly," Mr. Taylor points out. "For example, the 1978 and 1979 respective UK import penetration figures were 11 and 12.3 per cent and the comparable EEC figures 16.7 and 20.1 per cent."

During the past few years, UK exporters have done particularly well in Africa, Oceania and the Far East, but more significantly they have made considerable inroads into Europe, with the value of EEC imports rising from $369m in 1978 to $458m in 1979, in which period the UK increased its market share from 7.7 per cent to 9.5 per cent.

Significant increases in market share were also achieved in Africa (15 to 18 per cent) and Asia (8.5 to 32.4 per cent, mainly through major exports to China), while there was a slight fall in the Middle East.

According to a NEDO survey, British companies tended to be competitive abroad on price, design and reliability of products, while attention to detail on tender requirements came in for some criticism.

Nevertheless, the study said that while the industry still tended to be dominated by engineers, it was steadily becoming more market oriented and this process had proceeded furthest in product development and innovation, but had some way to go in pricing practice, sales promotion and sales representation. "There is clearly scope for training in export marketing concepts and technique," it concluded.

With Babcock-Moxey likely to be involved in the provision of conveyors for the recently announced power station order for the China Light and Power Company in Hong Kong, and Redler Conveyors now optimistic about future sales of its coal pulverising equipment, and bidding for coal related work in South Africa, this sector is certainly one of the most active.

The £50m in Government aid to help UK companies convert to coal fired boilers has also stimulated interest, although the aid itself is minimal in relation to industry as a whole. However, there is some caution on such conversions since the coming option of fluidised bed combustion is causing many companies to hesitate before committing themselves to conventional systems.

Redler believes that the potential for sales of coal handling equipment in countries such as Australia, South Africa and the U.S. is now considerable, and that its proven chain conveyors will remain competitive with pneumatic systems, pointing out that many of its conveyors from the "first coal age" are still operating after 40 or even 50 years.

Following a recent conference attended by representatives from virtually all the UK conveyor companies, general optimism about overseas markets was expressed, and companies were urged to continue their efforts abroad while reducing dependence on the home market.

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INTERNATIONAL STORAGE AND HANDLING III

Industry wants standards policed

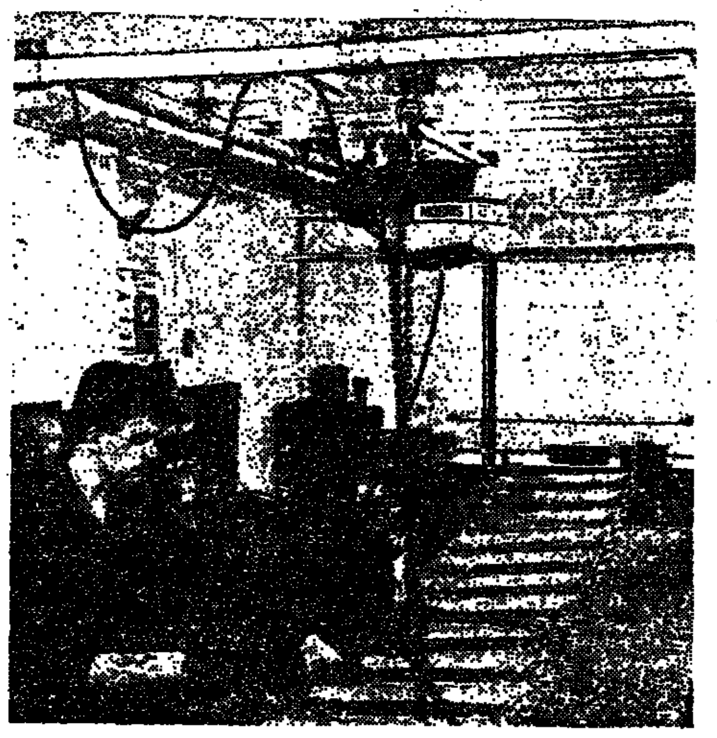
HOISTS

LORNE BARLING

BRITISH HOIST manufacturers and the major West European suppliers such as Demag, which has a long-established presence in the UK, are increasingly concerned at the volume and quality of hoists imported from the Far East.

Although this is a familiar complaint from British industry, the argument here is as much about standards of equipment —which are obviously of great importance for overhead lifting gear — as much as import penetration.

The industry believes that the Government has signally failed to apply the kind of inspection of standards rigorously applied in other European countries *such as Germany, where* British exporters face tough specification requirements before importing. As a result, imports from Japan, Taiwan and China, almost all in the low price range, have increased significantly over the past few years.



One of the new 360 series electric chain hoists from Herbert Morris. They have single or dual speed options on both hoist and travel motions

Half imported

It is estimated that the British market for chain and wire hoists is worth around £14m a year, of which at least half are imported, although the highest proportion of these comes from Demag, which uses West German motors and assembles its products at its plant in Banbury, Oxfordshire.

The company has sold around 35,000 hoists in Britain since its Banbury operation was set up about 10 years ago, and is probably the market leader. The main domestic manufacturers are Herbert Morris of Loughborough, part of Davy International, George W. King, Selco Hoists and Clayton.

However, Demag has been selling into the UK for around 25 years, at first through other companies such as Clayton, which now markets a product very similar to an earlier Demag design. Other major importers are Verlinde of France, and Balkancar of Bulgaria, which has taken advantage of its large domestic output to offer low cost products in the UK, mainly through other hoist companies.

Demag's policy world-wide is to set up manufacturing facilities where possible, but the need to build electric motors in volume has precluded production in the UK. However, other parts such as electrical components, chains and controls are bought both in Britain and abroad for assembly here.

Slow investment by the engineering industry over the past few years has created a somewhat stagnant market in Britain, and with the additional problem of rising imports, hoist manufacturers have had difficulty generating enough capital to develop new products, although a new design can be expected to last up to 15 years.

Herbert Morris, *on the other* hand, with the resources of Davy International behind it, has recently brought out a new range of electric chain hoists with capacities of between 125 Kg and 2 tonnes. Known as the 360 series, they have a variety of single or dual speed options on both hoist and travel motions. They include eye and hook suspension and heights of lift of up to 30 metres can be provided.

The company *estimates*, however, that UK demand has fallen by about 30 per cent on standard hoists as a result of the recession, although special equipment has been affected less severely, due to the long lead times. Some encouragement is taken from good demand in January and reasonable orders during February and March.

It is generally accepted within the industry that the fall in demand has now ended, and with some improvement in chain hoist sales — a good barometer *of the overall market* — manufacturers are expecting a slow recovery in line with the national economy.

Overseas markets have also proved difficult recently for Herbert Morris, which now sells around 20 per cent of its output abroad compared with 50 per cent five years ago. This deterioration is attributed largely to the strength of the pound. France and the United States have been particularly badly hit, while Commonwealth markets have remained reasonably firm.

New division

George King, which also *experienced some improvement* in the UK market early this year, following a 30 per cent downturn in demand from early last year, was taken over by Camford Engineering in the mid-1970s and its mechanical handling side now accounts for only around 25 per cent of output. But a new division has recently been created to deal with it and efforts are being made to improve marketing and service.

The company also exports around 20 per cent of its hoist output, mainly to Europe which has proved a strong market, while sales in North America and Australia have suffered, *due partly to Japanese competition in the latter case*. King offers a range of electric chain hoists ranging from ¼ tonne to 13.5 tonnes capacity and its *products, developed mainly in* the early 1970s, have become well established in the market.

The Demag range is up to 4 tonnes capacity in chain *hoists and up to 40 tonnes in* wire rope hoists, while at the smaller end it has the Manulift special chain hoist which can be controlled with one hand and is particularly suitable for one man operations in conjunc*tion with lathe work.*

Although the company has not introduced any major changes in its products recently, there have been several outwardly invisible improvements, particularly in relation to safety. This is an aspect to which it believes many engineering companies clearly need to pay more attention.

There is evidence that the squeeze on industry profits has discouraged the replacement of old hoists, many of which are *in any case becoming costly to* operate because of higher maintenance costs. Manufacturers believe this is short-sighted, since efficiency can also be improved with more modern equipment.

Although the UK market is expected to continue to decline in general, due to the contraction of the engineering industry, Demag believes there could be considerable demand for low-cost chain hoists in the near future as industry moves from hand-operated to powered equipment.

It points out that Britain, unlike most other European countries, has large numbers of these hand hoists still in use, and that with health and safety authorities becoming increasingly concerned with the back injury rate in the UK, there could soon be widespread demand for new powered equipment.

Another reason put forward as a cause of the present slump *in the industry is the number* of second-hand hoists coming on to the market as a result of factory closures, particularly in *areas such as the Midlands*. However, this is again seen by the industry as short-sighted in that the price differential is not regarded as enough to justify not buying a new product.

Growth of the 70s not likely to be repeated

LIFT TRUCKS

HAZEL DUFFY

THE LIFT TRUCK is synonymous with unit handling and continues to occupy a strong position in the equipment league in spite of predictions from time to time that it would be overtaken by more sophisticated methods of moving goods.

Sales of lift trucks, however, have plummeted with worldwide recession and the industry has to live with the prospect that demand in the developed countries is likely only to return to normal replacement levels rather than the growth of the early 70s.

The degree of overcapacity worldwide in the past year is probably as much as 40-50 per cent, with the result that competition has become fiercer and margins have been cut so fine that it is doubtful whether more than a handful of major lift truck companies are making any profit.

Their response has been to introduce rigorous cost-cutting programmes in the manufacturing process, to rationalise their product range where appropriate and to attempt to penetrate new markets where possible. The expected restructuring, however, has not yet taken place except among the much smaller and weaker companies whose sales are mostly in their domestic markets.

To some extent, this reflects a reluctance *to sell out to a competitor* (very few companies outside mechanical handling would want at this stage to become involved), but also a reluctance to expand by acquisition in a product which is suffering from so much over-capacity.

Struggling on

Any watcher of this industry could name a few major companies which would be only too happy to withdraw if they could find a buyer at the right price. In the absence of such fairy godmothers, they struggle on and try to maintain their share of a declining market.

The lift truck industry is highly internationalised — the product transports easily and in most respects the same configuration is suitable for a large number of markets. Certain countries do impose their own standards of safety, driver comfort, noise, etc. (the EEC is working towards harmonisation of these standards), but in general, it is not necessary for the manufacturer to make major changes to sell in different markets.

The industry splits quite conveniently into the American-owned multi-nationals, i.e. Clark Equipment, which has the largest share of the U.S. market, Hyster, Eaton and Caterpillar. Each manufactures outside the U.S. and is well established in European markets, although Caterpillar has yet to demonstrate that it can fulfil its ambitions. Backed by its dominant place in the world's earthmoving equipment industry, Caterpillar shows no signs of moving out of lift trucks and will undoubtedly reap the benefits of its staying power in due course.

Then come the major European manufacturers—Still and Linde, and Vungheinrich, in West Germany, Fenwick in France, Fiat in Italy, and Lansing and Coventry Climax in the UK. Each has tended to account for the major part of *its home* market, pushing the multi-nationals into number two or three position, while seeking to expand its exports within Europe in particular.

Japanese lift truck manufacturers, predominantly Komatsu and Toyota, which are parts of much larger operations, have also been pushing hard into Europe, with some success. Their reputation for building robust but basic models is giving way to that of a reliable, quality image and they are now creeping into the market for fleet sales which is valued highly by all companies. Estimates of Japanese penetration vary widely, but in certain key markets they have broken through the 10 per cent barrier.

Considerable speculation abounds among the hard-pressed European manufacturers about possible tie-ups between Europe and Japan. Some companies, Eaton, for instance, have had such links for some time and bring in some of their small truck requirements from Japan.

The possibility clearly exists that these links might become much stronger, perhaps involving joint ventures. This could help *Japan increase* its European penetration while at the some time relieving some of the financial pressures on European companies, but they are most likely to be forged *from a position* of weakness on the European side.

The British lift truck industry has looked ripe for restructuring for the past couple of years, but so far it has not come about. Manufacturing operations are slimmer but company promotions have had to be more generous. The advantages of more competitive production costs have tended to be outweighed by the very weak pricing structure throughout the industry.

Both Lansing and Coventry *Climax*, have experienced problems in digesting their earlier acquisitions and may fight shy of seeing further mergers as a solution to the problem of overcapacity. Lancer Boss meanwhile hovers in the wings ready to take advantage of its strengthened position, but might well see an international acquisition as more favourable.

SUPPLIERS OF INDUSTRIAL TRUCKS TO THE UK — 1980

Type of truck	No. of suppliers
Counterbalanced forklift pedestrian controlled	52
rider controlled, electric (below 10,000 lb capacity)	64
rider controlled, internal combustion (below 10,000 lb capacity)	48
rider controlled (above 9,999 lb capacity)	27
Reach truck	49
Sideloader	26
Straddle carrier	7

Source: Materials Handling News

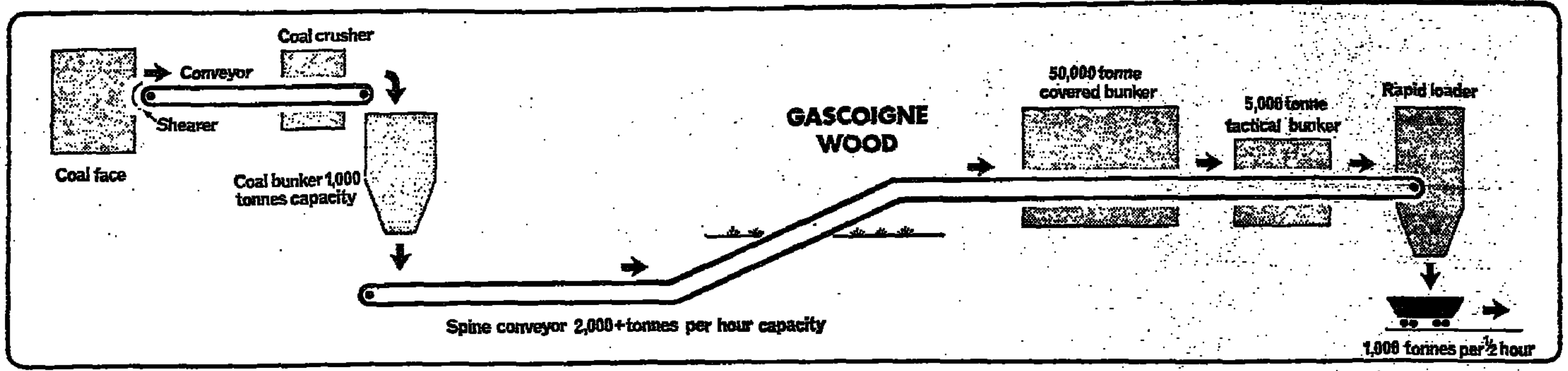
Storms weathered

In addition to these manufacturers, the UK has a well developed line of smaller companies which have weathered the peaks and troughs of this industry — companies like ACR, Crown, Montgomerie Reid, and Hamech since it acquired the electric truck interests of Ransomes (a distributor which decided to take on manufacturing).

As well as the more standardised and versatile lift truck, the market is well supplied with more specialist products, ranging from the pedestrian controlled truck which still enjoys a loyal following to more specialist equipment such as reach trucks, order pickers and narrow aisle stackers.

Those companies with sufficient technical and financial resources are planning their products increasingly on the lines of a total handling approach rather than offering just a motorised truck. This approach is bound up with the growing demand for a degree of automation between the movement of units and control of the manufacturing process, and requires obviously a greater degree of liaison and planning with specialist handling and electronics manufacturers.

Pits' revival produces demand for new plant



From coalface to train: How 10m tonnes a year from the Selby coalfield for the electricity supply industry will be brought to the surface at Gascoigne Wood. It will be moved by 56 trains a day

COAL

MAURICE SAMUELSON

REVIVAL OF world demand for coal is stimulating development of a new generation of machinery capable of transporting it from the coal face, blending and stocking it on the surface and dispatching to its destination.

The machinery is designed to cope with the much larger-scale of modern *deep coal-mining* and with the increasing quantities which will be transported by sea. *It also has to meet requirements* of speed, efficiency, safety and the environment.

As Europe's most ambitious deep-mining scheme Britain's £550m super-pit at Selby, has *become the testing ground for* much of the new equipment. The choice of plant by the *National Coal Board* also reflects its view of the respective merits of British and other manufacturers.

Selby presents problems of a size and scale not tackled before by the British coal industry. The maximum *output* of British pits sunk in the 1950s used to be about 1m tonnes. *Anything larger was regarded* as a white elephant because of the huge problems involved in *managing large volumes of coal.*

But Selby will yield a total of 10m *tonnes a year or 2m tonnes from each of its five pits.* Instead of being brought up from each pit the coal will be transported *underground* through two nine-mile-long drift tunnels sunk 70 yards below the seam.

It will then ride to the surface at Gascoigne Wood mine on the world's largest underground conveyor belts. At Gascoigne Wood it will be loaded on to 56 trains a day, each carrying 1,000 tonnes, after being blended in a mechanised bunker which handles 50,000 tonnes a day.

The man who oversees this giant undertaking is Mr. Jack Barnes, a former miner who is in charge of the National Coal Board's major engineering projects. For him it is not only a highly complex engineering challenge requiring the right equipment but also a question of management.

The whole operation involves close collaboration with the electricity industry, the main customer for Selby coal, and the railways who will have to *deliver it.* There are also inter-union questions to be resolved.

In addition it involves key management *decisions on how* much stocking space to provide at Gascoigne Wood, and how to abide by the planning requirements of the local authorities that the coal should be as unobstrusive as possible.

Comparison

The experimental aspects of the whole venture are symbolised by the fact that two differing kinds of conveyors have been ordered to carry the coal through the two parallel drift mines, 70 yards apart below the seam. Their respective performances will be closely compared.

The conveyor in the South drift will be supplied by Anderson Strathclyde of Glasgow; the North drift's by Cable Belt of Camberley, Surrey. In emergency, each will have to be able to carry the entire output, on average more than 2,000 tonnes an hour, for a limited period.

The belts will travel at up to 20 ft a second, three times faster than in other mines. They will be driven by engines on the surface with a thrust of more than 10,000 horsepower.

Anderson Strathclyde, in con*junction with its French* associate Réalisations Equipements Industriels (REI), has designed *a belt driven directly by the* propulsion machinery and resting on idlers when loaded. It is *made of flameproof PVC and* has a steel core.

Cable Belt uses its patented *system of keeping the belt* separate from the twin steel cables which are driven by the winder motors. *The belt itself* has moulded grips, or shoeforms, which enable it to sit on the cables.

When loaded it sags to the required depth and has no need of idlers in which to "trough." *Its neoprene material is* fire resistant to NCB specifications and will be made at Cable Belt's Marlow *rubber-works.*

Both companies are proud of these unique orders, which have also meant valuable business for other companies. Acording to Mr. Barnes the British Tyre and Rubber Company of Leyland will earn more than £5m for the Anderson Strathclyde belt; and the 18-mile long steel ropes for the Cable Belt system, costing more than £1m, are the biggest ever order for British Ropes.

The drive rollers for the Cable Belt system are the biggest ever made by the company. The gearbox for its motor is as big as a semi-detached house.

Preparation of the coal, before dispatch to the power stations, involves control over *its size and blending it into an* even mixture. Size control is carried out in its transfer from *the five mines through a system* of underground bunkers to the conveyor belts.

Blending according to chemical content is carried out in the large covered bunker where it *arrives before transfer to the* railways.

The bunker is as high as an *eight-storey building. Its area* is that of two football pitches. Nearly 50,000 tonnes of coal will be mixed, stacked and reclaimed from it every day.

To prevent trouble on the railways from bringing the entire mining operation to a halt a lot of extra stocking space would be needed. But in spite of a suggestion to instal capacity for more than a week's output, this was finally limited to 150,000 tonnes.

One reason for not stocking too much coal for prolonged periods is its high gas content and the risk of spontaneous combustion ("spon com,") as miners call it.

The mobility of the coal through the main surface *bunker threfore depends* on close co-operation with the Central Electricity Generating *Board, with British Rail, and on* having the right machinery for stacking, blending and reclaim*ing the two stockpiles inside the* bunker.

Experience

Unlike the conveyor belts, in *which British suppliers* have a world lead, the best expertise for designing stackers and re*claimers is German,* French and Italian. This is because these and other foreign countries *have had more experience in* open-cast mining than Birtain, with its deep mines.

In deciding which supplier to choose therefore the Coal Board is looking carefully at what foreign technology is used by British companies. The front-runners for the contract appear to be Adamson and Butterley, of Ripley, Derbyshire, and Strachan and Henshaw, of Bristol (who already supply stacking machinery to the CEGB and the British Steel Corporation).

Other British companies who make stacking machinery are Babcock-Moxey of Gloucester and Markham of Chesterfield.

British companies freely acknowledge they have much to learn from overseas. The Coal Board says it is trying to encourage them to improve their product not only for the British market but to attack the expanding markets in South America, Australia and Africa.

A recent NCB contract for blending equipment at Woolley, North Yorkshire, went to PHB of West Germany, in preference to two British companies and a second German concern. But the NCB asked that 80 per cent of the work should be carried out in Britain.

The NCB is also tendering *for a stacker reclaimer* at Grimethorpe, Yorkshire. This time it is insisting that the machinery *should be made* 100 per cent in the UK but it would not object to foreign design.

The foreign engineers *and* manufacturers whom the Coal Board holds in high regard include Demag, Schade, PHB, and Weserhuette of West Germany; and International Handling BHV of Holland.

But the wide range of British coal and mineral handling equipment should also not be underestimated, as seen in a spate of important overseas contracts won by associate companies *of Babcock-Moxey.* Some of these are dockside installations, reflecting the growth of coal as an internationally marketed commodity.

But for the reasons mentioned *previously* it is for conveyor belt systems that Britain's expertise is most respected abroad.

Cable Belt, for example, is making two single drive conveyors for a bauxite handling system in Western Australia. They are 18 miles and 12 miles long—the longest and second longest single flight conveyors of their kind in the world.

The company has three operating subsidiaries, in the U.S., *South Africa* and Australia, and is opening a separate Perth office to handle the Western *Australia contract.*

Fall in public sector investment squeezes manufacturers

OVERHEAD CRANES

DAVID CHURCHILL

EARLIER THIS month British Aerospace took delivery over one weekend of a new Goliath ten-tonne crane for its factory at Weybridge. The crane, valued at £30,000, will be used to load precisely 8.5 tonne "forming" blocks on 100 and 200 tonne "stretch form" machines making light alloy *stainless and titanium sheet.*

Although Street Crane, the *Goliath's manufacturer,* has ex*tolled the* virtue of the crane —especially its built-in safety factors—the significance of this delivery is that it shows that in spite of all the gloom in the industry, there is still a market for cranes in the UK.

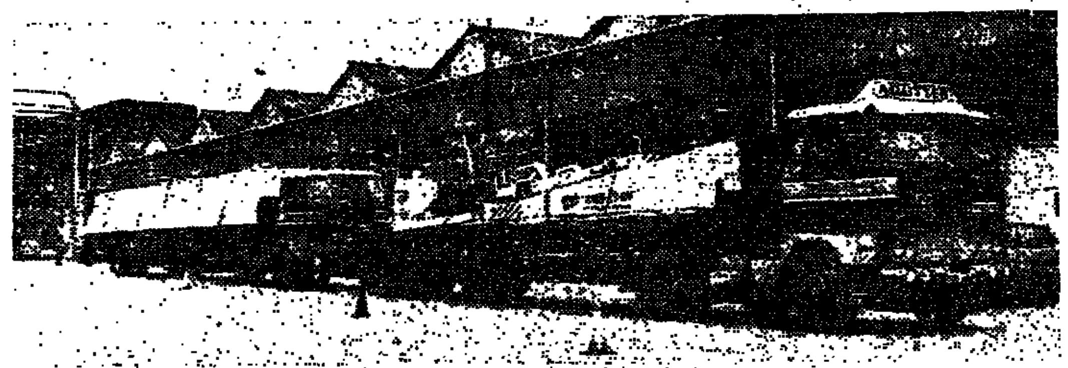
But while cranes will always be needed, whatever the state of the economy, there is no doubt that the UK market for mechanical handling cranes has been a victim of recession for some time—and the industry has *especially proved vulnerable to* the decline in public sector investment in recent years.

The problem for the cranes industry is that it is closely linked to the health of the engineering and steel industries at both home and abroad. In the past, the nationalised industries such as steel, rail, and shipbuilding — have accounted for over half the total value of sales. Yet all these industries are themselves either stagnating or in decline.

The heavy types of cranes in particular have suffered most, since they are so dependent on *orders from British Steel Corporation, the docks, nuclear* power stations, and the engineering industries in general. At the lighter end of the cranes market, users vary from warehouses and factories through to paper mills, hospitals, and supermarkets.

Apart from the problems at home, the overseas markets have proved less accessible as the continued high value of sterling has made it difficult for British companies to compete with the Germans and Japanese on price. At the same time the vital Middle East markets, which in the 1970s were a lucrative source *of large contracts, has been hit* by political instability and the general world recession.

The problems for the UK industry have been compounded by the rise in imports, especially in the market for wire rope and chain hoists which are an integral part of the crane industry. These hoists account for about a quarter of the total value of the crane and are increasingly being provided by European manufacturers.



Top: Street Crane's 10-tonne Goliath arrives at the British Aerospace factory at Weybridge. Above: the crane was installed in one weekend

Three categories

One of the key sectors of the cranes industry under pressure is the electric overhead *travelling cranes (EOT),* which are divided into three main categories according to weight *and ranging from extra heavy,* heavy, to light.

The EOT sector—especially at the heavy end — has suffered from an excess of capacity, a result of British Steel's ambitious expansion programme in the early to mid-1970s and a rise in exports (helped by the then weak value of sterling). Several British manufacturers were persuaded in the mid-70s to invest in this area instead of the lighter end of the EOT market. Such companies included Carruthers in Scotland and Herbert Morris in England *which invested heavily in new* capital equipment. The West German company Mannesmann Demag also became interested in this area.

The result was chronic over*capacity, with too many manu*facturers chasing too few orders for heavy duty EOTs. In the *mid-70s, some 140 or so heavy* EOTs were being sold a year—but by the end of the decade this *figure had shrunk to between 70* and 90.

At the lighter end of the scale, the market *also increased* sharply during the mid-70s but has since slipped back in line with the overall industry slump. Thus sales of light cranes increased from between 2,000 and 2,150 in 1972 to between 2,400 and 2,600 in 1976. By 1979, however, the market had fallen to between 2,150 and 2,250 cranes.

The growth in demand, apart from the effect of British Steel's expansion, was helped by the development of standardised components and kits which enabled engineering companies of all sizes to utilise crane technology. Another key factor was the trend in warehouses, supermarkets and factories towards replacing manual lifting with that of machines.

But after 1976 the market for light cranes began to fall as a result of British Steel's expansion slow-down and the beginnings of an engineering recession aided by the sharp oil price rises of the late 1970s.

The future for both heavy and light EOTs does not look particularly rosy in the next few years. The Economist Intelligence Unit, in a recent report *on the sector, suggests for a* number of reasons that the upturn for EOTs could come by the middle of the decade. British Steel, it is suggested will have by then sorted out its labour problems and be in a position to replace a number of its cranes.

Heavier duty EOTs will also be on order in the UK for a number of new nuclear power *stations. But most importantly,* suggests the EIU, "it is to be hoped that the present cyclical world recession will have been replaced by this time by renewed industrial confidence and growth, especially in favourably developing export markets."

The UK industry's export ability was shown in the mid-70s when British manufacturers were able to capture valuable contracts for the Middle East and South America. However, increasing sophistication in such countries meant that foreign customers eventually were only interested in the design rather than the more lucrative equipment itself. The marketing abilities of the Japanese and West Germans also increasingly posed a threat to UK manufacturers.

Retrenching

Not surprisingly, the slump in the cranes industry allied to the general economic recession has had its effect on companies in the sector who have been forced to retrench and cut their labour forces. Companies involved with heavy duty EOTs and dockside cranes have generally been more adversely affected than those in the light duty areas.

Many of the major British companies are part of larger organisations, so they are less vulnerable to the problems of the crane market. Such companies include Herbert Morris (Davy International), Clarke Chapman (Northern Engineering Industries), Adamson Butterley (Norcros), Matterson (William Hudson Group), Carruthers (Burmah), and Clayton (Porter Chadburns).

A number of manufacturers have also diversified their product range outside the cranes market in an attempt to minimise the impact of the recession.

But the long-term future for much of the industry rests on adopting one or more of the following strategies: fierce competition to wrest market share from competitors; diversification out of cranes and hoists into more profitable areas; expansion into new markets; and an increased export drive. By the end of the 1980s, however, the UK cranes industry is likely to be a very different creature from what exists today.

هكذا من الأصل

Are you going to screw up your courage or your business?

We at Rolatruc BT would like to point out a few facts about the business of handling pallet loads.

Last year, the Henley Centre revealed that 16% of all retail prices went into moving and storing pallet loads.

Or put another way – British businessmen annually pump £10,000,000,000 into humping their products to and fro.

Industry gulped.

Did they react?

You bet. Everyone woke up to the advantages of fork lift reach trucks in narrow-aisle systems.

These improvements cut storage area requirements by moving pallet racking more closely together. That cuts land, building, heat, light and security costs.

They're good systems. We know because we make them. We also know that the only thing which has curbed sales is the recession.

Luckily, it also gives people time to think again; because for many high volume industries facing tough foreign competition these measures will soon seem like donning flippers to outswim a shark.

For them the only way to ensure long term competitive pricing means bidding farewell to the conventional warehouse layout and realising that a single truck type can no longer do all the work.

There are horses for courses. And the most efficient machine for working in the aisles isn't a fork lift truck at all. It's a stacker crane.

Cranes not only save even more space because they reach higher, but they work up to 5 times as efficiently as a fork lift truck in a warehouse aisle.

Over 8,500 of them are working against us around the world.

Only 243 are working for us here in Britain.

Yet the stacker crane is only a step on the road to total warehouse automation.

Step One is to choose the right aisle width (a conventional pallet will not fit into less than 1100 mm, anything wider than 1500 mm is wasting space).

Step Two is to introduce man-driven cranes.

Step Three is to install on-board micro-computers.

Only then will you have a warehouse that can hold a candle to what is happening elsewhere in the world.

It's going to take some courage.

To break new ground.

To convince your less prescient colleagues that it must be done.

To face up to the implications for your workforce.

And to gird yourself up for yet another major investment.

These are things we can help you with because we have a wealth of experience with automated warehouses in Europe.

Many of our competitors may try to discourage you. They don't make automated systems.

That is why it's important you talk to us before you re-tool your warehouse.

If automation isn't going to work for you we'll say so. After all we make literally hundreds of conventional alternatives.

If it will work for you we can show you a system that will keep your pallet handling costs screwed down for decades.

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We make warehouses work harder.

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Marketing tied to warehouse space

FOOD AND DRINK

DAVID CHURCHILL

WHEN TESCO launched its "Operation Checkout" campaign in June 1977, the success of its marketing achievement was almost destroyed by its warehouse system being unable to cope with the dramatic surge in demand.

Shortly before the campaign got under way, Tesco's grocery warehouses were handling some 1.725m grocery items a month. Within three months this figure had increased to 2.4m units, bringing Tesco's distribution system close to collapse.

"I think we must recognise the fact that we came very close to breakdown," says Mr. Ian MacLaurin, Tesco's managing director. "This was not the fault of either our own staff or our suppliers, who did an incredible job in near impossible circumstances. It was simply that we did not have the capacity to handle the increased volume of trade generated by the success of Checkout."

Tesco's immediate response was to put its four major grocery warehouses on a seven-day stand-by, to put the drivers of its 400 trucks on a six-day schedule as well as hiring an extra 30 lorries, and forcing suppliers to wait up to a day to deliver loads to its depots.

Achieved

Within weeks, however, Tesco was urgently seeking new warehousing facilities and its property department was asked to locate and open a new warehouse within three months. This schedule was achieved with a new 100,000 sq ft warehouse opened at Bletchley. Since those dramatic days in the grocery world, Tesco has doubled its warehousing facility by opening a number of new sites to cope with the doubling of its market share.

But the significance of the near-disaster following "Operation Checkout" was not lost on Tesco or its rivals in the grocery market. Warehouse capability was shown to be as important an area of the food business as was successful marketing. "The need for the future is to ensure that, by integrated planning, we never reach a situation of overstretch again," adds Mr. MacLaurin.

The way in which other food distributors deal with their warehouse problems varies considerably.

Allied Suppliers, which is the largest multiple grocer in the country with more than 1,100 branches trading under the names of Lipton, Presto, Templeton, and Galbraith, has a total of about 1m sq ft of warehouse space. Its Scottish depot, for example, services some 280 branches with a weekly throughput of up to 1,500 tons of goods.

Allied's depots are operated on traditional, non-automated lines, although Harlow and Telford, two of its newest depots, were originally intended as automated, high bay warehouses.

However, Allied was far from happy with the operation of these automated warehouses and so they were converted to manual operation although retaining the high bay, six level storage facilities. Each of the other warehouses has a three or four level storage capacity, in which all goods are stored on pallets. (About 95 per cent of goods are delivered into depots on pallets and the remaining 5 per cent are palletised after receipt.)

Goods are arranged within the depots so that the fastest moving lines are given priority and special bays are set aside for lines on promotion.

In general, about 1,500 to 1,800 lines are held at warehouses, and about 40 per cent of Allied's turnover of dry grocery goods is distributed via depots (the remaining 60 per cent being delivered direct to stores).

Stock levels in depots are controlled by group and divisional marketing staff to a maximum of about four weeks' supply of any grocery line. In other words, depots are designed to be transhipment points rather than stockholding warehouses.

Fine Fare's warehouses are laid out on conventional lines with palleted goods on four-tier racking, with the floor and first tier levels being used primarily for dispatch, and the two upper tiers used for holding replenishment loads for the first two levels.

Storage of bulk goods is either in blocks or in drive-in racking. Warehouse staff responsible for filling dispatch orders have long-fork electric trucks which carry two roll pallets. Removing goods is carried out from side to side of the tier being used, which provides a one-way system and obviates congestion. As each pair of roll pallets is filled they are parked on an assembly bay until the complete store order is assembled ready for loading on to a trailer by separate loading teams equipped with short-fork electric trucks.

For Fine Fare's superstores and some large stores which have loading docks, goods are assembled on standard 1200 by 1000 mm wooden pallets and delivered into those stores on pallets. At a few stores where access difficulties preclude the use of bulk handling by roll pallet or wooden pallet loads, the goods are assembled and loaded into the trailer on wooden pallets and then delivered into the store case by case.

Fine Fare has its own fleet of 200 trucks and 300 box trailers plus a few rigid box vans. They are all equipped with electric tail lifts and have rigid bar locking for roll pallets, though this is gradually being changed over to standard strapping.

Booker Belmont, part of the food distribution division of Booker McConnell, operates 180 retail shops trading mainly as Budgen supermarkets. The stores are supplied from one 100,000 sq ft depot in North London and two small cold storage depots based in North London and the Midlands.

Conventional

The main warehouse handling basic grocery lines is conventional in operation, using Dexion racking, Lansing Bagnall forklifts, and additional bulk storage space.

A recently introduced work study productivity scheme operates in the warehouse, a group system where all warehousemen except forklift operators and other non-productive employees are measured daily against set standards. Although this has improved productivity considerably, the advantages and disadvantages of switching to an individual scheme are being considered.

Additionally, productivity is improved by reducing walking time by asking branches with two or more deliveries a week to restrict orders to half of the warehouse at a time. This method enables Booker to regulate the output flow from the grocery warehouse on an even daily basis. Goods inwards flow is also regulated with suppliers being scheduled day by day.

J. Sainsbury, which has been the most successful of supermarket chains along with Tesco in recent years, makes use of sophisticated computer analysis to help its warehouse operations. Computer printed forms give details of goods due in each day, and arrivals, mainly on pallet boards, are unloaded by pallet or "reach" truck, checked for quantity and quality, and stored.

The operations planning department in each Sainsbury depot calculates the total number of roll pallets for each branch each day by commodity group and plans the order assembly sequence and the allocation of vehicles. Most Sainsbury vehicles are equipped with tail lifts and a number of stores have fixed or mobile scissor lifts. The orders are thus delivered in their roll pallets right up to the maximum possible point in the stores.

Cage pallets, however, are not handled in Sainsbury's depots although certain of its branches have them as in-store equipment for the quick replenishment of displays of fast-moving lines.

Tesco's "Operation Checkout" marketing campaign, launched in June, 1977, was so successful that it brought the company's distribution system close to collapse. Its four main warehouses were put on seven-day standby, extra lorries were hired and drivers worked a six-day week

Strict rules minimise risks but cause problems

CHEMICALS

SUE CAMERON

THERE CAN be few more emotive subjects than the storage, handling and distribution of chemicals—as those responsible within the chemical industry are well aware.

The task has never been an easy one, but in the last few years it has become even more difficult as public fears about safety have intensified and governments have responded by introducing more stringent regulations.

One proposed new rule that is currently causing headaches for the European chemical industry has been put forward by IMCO—the Inter-Governmental Maritime Consultative Organisation. If it goes through it will extend much of the liability for chemicals being transported by sea from shipowners to shippers. Perhaps it is not surprising that the chemical industry is mounting a fierce campaign against it.

The storing of chemicals on land creates sufficient problems for the industry—particularly when a whole variety of different products are being kept in one warehouse.

Chemicals are unloaded, stored and then loaded up again at major production sites all over Europe, but plant managers have considerable degree of control over what comes in and how it is handled. For one thing, it is nearly always the same chemicals that are brought in to be processed and they can be stored in dedicated containers.

At most big chemicals complexes, managers know which chemicals are being kept where and they can alert the local emergency services to the layout of the site and the nature of the products. If something goes wrong, the fire services and the safety officers on the site should be able to act quickly and efficiently because they know where to go and what the nature of the hazard is.

But in a general chemical warehouse, safety planning becomes far more complex. A whole variety of what the authorities like to call hazardous and noxious substances are stocked in warehouses in different amounts at different times.

The first question that has to be answered is which chemicals should be stored near each other. The obvious answer would seem to be that chemicals which react badly together if there is a leak should be kept well apart. But it can equally be argued that chemicals should be stored in groups according to the way they should be dealt with in the vent of a fire or explosion.

Water for both

Nitric acid and ethyl alcohol, for example, can product clouds of poisonous brown gas if they are mixed together. Yet if two nearby drums of nitric acid and ethyl alcohol leaked, the steaming mixture could be rendered harmless with water, because water can be used on both chemicals.

Other chemicals might not react together and for storage purposes they could therefore be safely put next door to each other. But in the event of a general fire, the two adjacent chemicals might need to be treated in different ways.

Deciding on the least risky course of action calls for finely balanced judgment on the part of chemical storage managers.

Labelling a building so that the emergency services know what action to take can also be the source of endless problems. It can be done on the basis of quantity or of risk—with the added difficulty that the chemical population of any given warehouse may be changing all the time.

A warehouse could contain 1,000 tonnes of chalk, which is harmless, and one tonne of phosgene, a poisonous war gas. The example is admittedly an unlikely one but it illustrates the kind of questions that chemicals storage management has to grapple with. Should the labelling on the warehouse draw attention primarily to the chalk or to the phosgene?

It can be undesirable in itself to draw too much general attention to the storing of hazardous chemicals in a particular warehouse. While people living nearby have a right to know that the best possible safety precautions are being observed, it is conceivable that too much publicity could attract terrorists.

On the othe hand, the control of a fire, an explosion or an escape of poisonous gas or liquid will be impeded if safety officers are not given the fullest and most up-to-date information about chemicals that are being stored.

Those responsible for the storage of chemicals have to ensure that there is good liaison with the emergency services and that they have tight control over what is coming in and going out. They also have to have a highly specialised, technical knowledge of the conditions under which certain chemicals have to be kept or transported—pressure, temperature and the kind of special linings that certain tanks and containers need to have.

Principles

The problems associated with the storage and handling of chemicals make it extremely hard for national authorities to lay down rigid regulations. Chemical industry experts say what is needed is a list of broad principles designed to stamp out bad practice.

In Britain, the Chemical Industries Association says that the UK Health and Safety Executive seems to be taking the kind of flexible approach that is required. It adds that some other countries, such as Holland and Germany, appear to be acting much more quickly in introducing strict regulations. But it warns that such an approach will not necessarily lead to higher safety standards in the long run.

At present, CEFIC — the Council of European Chemical Manufacturers' Federations — is fighting the IMCO proposal to extend liability for chemicals transported by sea to shippers because it appears to be too rigid.

CEFIC says that shippers — who could be buyers, sellers, producers or middlemen — have little control over the way chemicals are stored and handled once they are at sea. A shipper does not know, for example, when further chemicals are taken on board after his own have been loaded — and it might be difficult for him to find out.

In the event of a disaster — pollution, fire or explosion — a number of shippers may have chemical cargoes aboard the stricken vessel. CEFIC argues that it could be almost impossible to determine which of them should be liable for damage caused.

Why City finesse is going West

Alan Friedman discovers an unusual new banking venture in Devon

A GROUP of distinguished financial men, mostly from the City of London, have begun wending *their way West to the rolling* hills of South Devon. They have been drawn, not by the attractions of a peaceful rural *retirement, but by the challenge* of building up an ambitious and extremely unusual merchant bank. Their first 18 months of effort have been highly successful.

The new enterprise has been set up by Dartington Hall Trust, the Totnes-based foundation with regional interests ranging from theatre to glass-making, and taking in a progressive school and other community ventures along the way.

The top men at the new enterprise, Dartington and Company, include Oliver Stutchbury, the former managing director of Save and Prosper, the unit trust, and Christopher Zealley, the current chairman of the Consumers' Association. *Zealley serves* as chairman of the financial group, Stutchbury is executive director with responsibility for portfolio management and a new unit trust, and corporate finance is run by David Johnstone, previously with accountants Thomson McLintock.

They all believe in what they call "the decentralisation of *financial decision-making,"* a philosophy which embraces local investment in local growth ventures. They have been able to recruit a number of other City men to join them in this activity and now operate three West Country offices. Investment management is directed from Barnstaple, corporate finance is Bristol-based and the general banking activities are run from Totnes.

The most striking aspect of the operation is the size of the group in relation to its activities. The entire capitalisation of Dartington and Company is just £560,000, with all the shares being held by Dartington Hall Trust. Yet activities include:

● A £5m portfolio *made up of* local institutions and individuals;

● An authorised unit trust *("The Dartington Total Performance Unit Trust")*;

● A banking operation;

● A business school for local students;

● A corporate finance business.

Johnstone, working with a small corporate finance staff, has channelled Dartington's energy into a number of innovative deals. Last December, for example, he helped pilot the successful deal by which TV South West secured the franchise for that area, replacing Westward Television.

He has also raised £1m for Radio Avonside, helped the Bath-based Spafax motor components company secure a £640,000 injection of funds from the Midland Bank, and is *currently working on a scheme* to generate cash for Bristol Rovers Football Club.

In Barnstaple, Stutchbury, the man who helped pioneer the post-war unit trust movement in the UK, has linked the Dartington unit trust with Federation Mutual, a Reading-based life group. It is hoped that local residents will invest in it. His enthusiasm for Devon is exemplified by his current launch of a new business called Swimbridge Breweries, a £25,000 beer concern which will also serve as a model for use by Dartington business school students.

In addition, Dartington has tendered an offer to manage a share of the Devon County Council's pension fund. The Council is to make half of its £80m fund available to new fund managers and the Dartington *group* is hoping to get a piece of the action. Although the current portfolio is tiny by City standards, *Stutchbury says that his clients* can put up around £100,000 to £125,000 each.

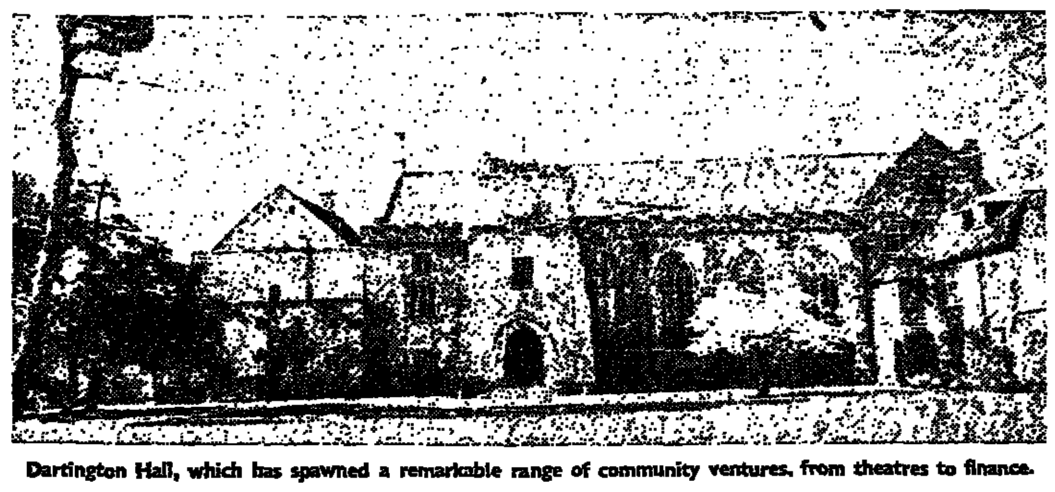
An active supporter of the new Social Democratic Party, Stutchbury embraces its demand for more political and economic decentralisation. "We are symbolic of the move towards decentralisation," he proclaims.

Zealley, who is chairman of Dartington and Company, oversees the group from his office in Dartington Hall, the house *which dates from the* 14th century. He believes that if professional managers and businessmen can be attracted to the region, it will flourish.

One of the most important influences on the company, says Zealley, is the example provided by the Mondragon experiment in Northern Spain. There, regional banks have a number *of associated small businesses* and provide a consultancy service to clients starting new businesses.

The whole idea at Dartington, says Zealley, is to prevent money and talent from being "whipped out of the West quick as a flash" to the City. "Our stock in trade is to know the business in the West."

He admits that Dartington cannot offer all the frills of the City investment houses. "We may not be able to offer a glass of cool Moselle before lunch, but we will tell you when the shares are no longer worth holding."



Dartington Hall, which has spawned a remarkable range of community ventures, from theatres to finance.

Tuning in to a wire-less future

Jason Crisp on how BICC, the cable-maker, is handling the challenge of optical fibres

THE SEDATE French coastal resort of Biarritz and the thrusting English new town of Milton Keynes make an unlikely pair. But both are to become their respective country's national showpiece for the sort of futuristic communications that one day will become available in the ordinary *home.*

Citizens in the two towns will soon be able to enjoy an experimental, small-scale "wired city," where all sorts of communications services are transmitted along cables filled with optical fibre. For after a century of *dominance,* the copper telephone cable's days are numbered.

The extremely rapid emergence of the new technology as an econmically viable proposition has forced the estabilshed telecommunications companies into a series of awkward *decisions. Established* cable manufacturers are having to buy other companies' technology, and even establish joint factories. And their customers, the world's telecommunications authorities, are having to adapt some of *their purchasing* practices.

Earlier this month BICC, the cable and construction group, which has just reported unfashionably good results by British standards, announced *that it had* agreed with Corning, the U.S. glass company, to set up a joint venture to manufacture optical fibre in the UK. The plant will cost £11.5m and will probably be located in North Wales, though a tussle is going on with the Government over precise financial terms.

British Telecom, which will be the major consumer of *optical fibre, is believed to* be urging GEC, another major supplier of telecommunications cable — but with its own fibre technology — to join BICC and Corning in the venture.

Demand

Normally, British Telecom insists on having at least two sources of supply for any major product. Its reasons for departing from this practice are threefold. First, in order to have a low-priced product, the plant must achieve the necessary economies of scale. BICC claims a factory must have a production capacity of at least 100,000 kms of fibre a year, and that the UK will not be able to provide sufficient demand to justify more than one plant; indeed, it has been argued that the entire European market will be unlikely to support more than two.

British Telecom's second reason for change is its growing commitment to seeing its suppliers do well on the export markets. This is no longer lip-service, since it has come to realise that exports help restrain the prices it pays the suppliers for its own equipment.

A third reason is that it will still have access to alternative supplies of cables, even if the fibre they contain comes from BICC-Corning. As the fibre is likely to become a commodity product it should be readily available from around the world.

Optical fibres are very thin strands of glass—not much thicker than a human hair—*down which signals* are sent by tiny flashing pulses of light generated by a laser or light emitting diode (LED). Nearly 2,000 telephone conversations can be carried on just two of these fine strands—one for each way of the conversation.

In the early 1960s optical fibres were a fanciful laboratory dream, and an impossible expensive reality in the early 1970s, but are now set to start a revolution. With advances in the technology, the cost of optical fibre cable has come to look increasingly competitive with copper and many telecommunications authorities are bringing forward plans to introduce it.

BICC's first awakening to the potential of optical fibres was at its research laboratories in the late 1960s. The possible use *of fibres for long-distance transmission* had been discovered in Standard Telephone and Cables' UK research laboratory in 1966.

In June 1971, BICC carried out a design study for the Post Office. Two years later it signed a licensing and development agreement with Corning, which had made considerable progress in designing a system of manufacture which made a fibre of sufficient quality to be able to send light over long distances; since 1970 Corning has been the world leader in optical fibre production.

BICC says that if it had tried to develop the glass technology on its own it would have taken another three to four years. The Corning method of making optical fibres has been licensed to a number around the world, *including* Siemens in West Germany, and originally on an exclusive basis to the cable-making subsidiary of CGE in France.

As part of its new telematics strategy, the French Government has persuaded the company to lift the exclusivity clause, and a new consortium has been formed to manufacture fibre there. The lead role *will be taken by Saint-Gobain-*Pont-à-Mousson, together with Thomson, Empain-Schneider and Corning itself.

With such an array of competitors, plus the attractions of a concerted attack on its home *market, it would not be surprising* if BICC would like to add GEC's strength to its venture with Corning.

BICC has been collaborating since 1973 with Plessey, another major UK telecommunications supplier, on providing complete transmission systems. BICC is responsible for the optical cable, while Plessey makes the electronics for transmitting and receiving the light signals and for the repeaters in the cable which boost the signal.

But STC, the British subsidiary of ITT and a major supplier of telecommunications equipment to British Telecom, seems unlikely to join the enterprise, as it is currently building an optical fibre plant which will have a capacity of 25,000 kilometres a year.

STC's fibre is also of very high quality, with even greater distances between repeaters *than fibres at present made by* the Corning method. But it is more difficult to fire the light pulses down it, and the associated electronics are expensive.

The reason STC chose this particular fibre was because of *its advantage in submarine* cables, where the number of repeaters is of even greater economic significance than on dry land. There appears to be a widespread assumption, shared by BICC, that since STC is the world's largest supplier of submarine systems, it is concentrating on that market. *STC denies this and says it* is equally interested in land cables; but it predicts there wil be overcapacity of optical fibre in the UK.

Quality

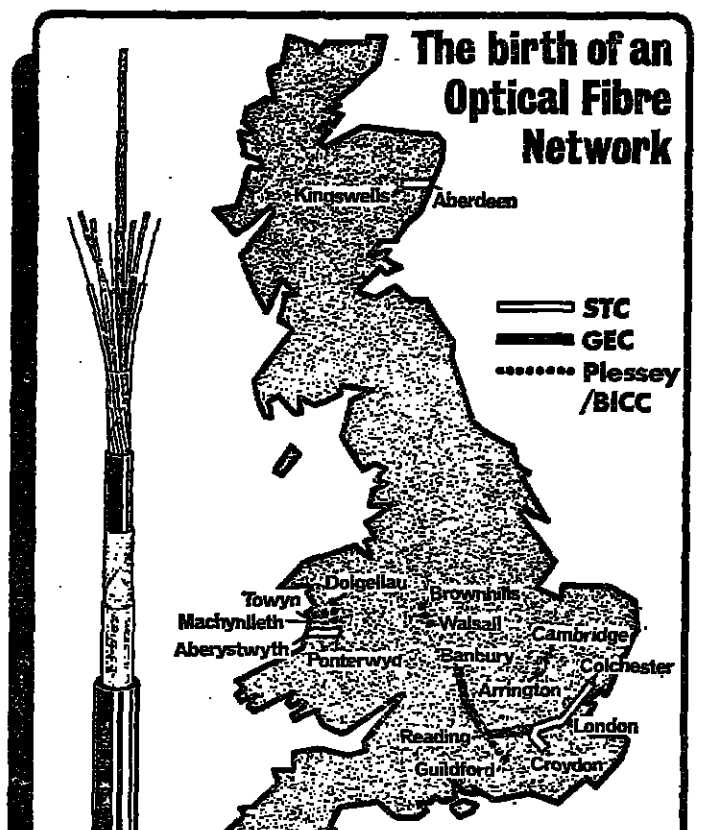
BICC's actual decision to establish the factory with Corning was taken earlier this year when it became clear that British Telecom was bringing forward plans to instal optical *fibre in the trunk network,* which carries vast numbers of calls between the main centres. This was partly in response to the rapidly falling price of high quality fibre. Two to three years ago it cost around £3 a metre, now it is just under £1; and, claims BICC, within five years, it will be 10p a *metre. Top quality fibre will be* more than double that, however.

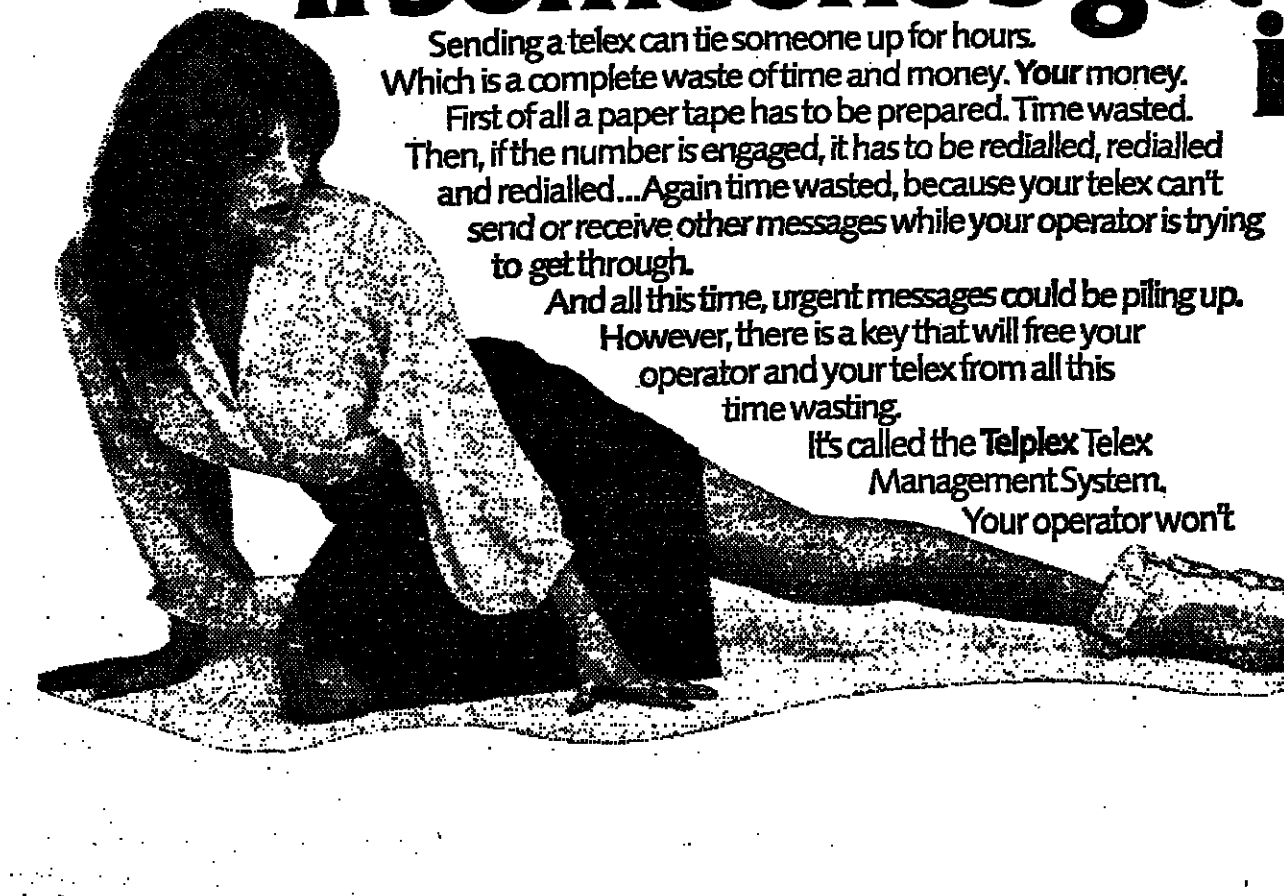
BICC expects almost all its initial production to go to British Telecom, although optical fibres have a wide variety of possible applications beyond *telecommunications,* many of which will impinge on its business in cables and wire, which accounts for nearly two-fifths of its £1364m in turnover.

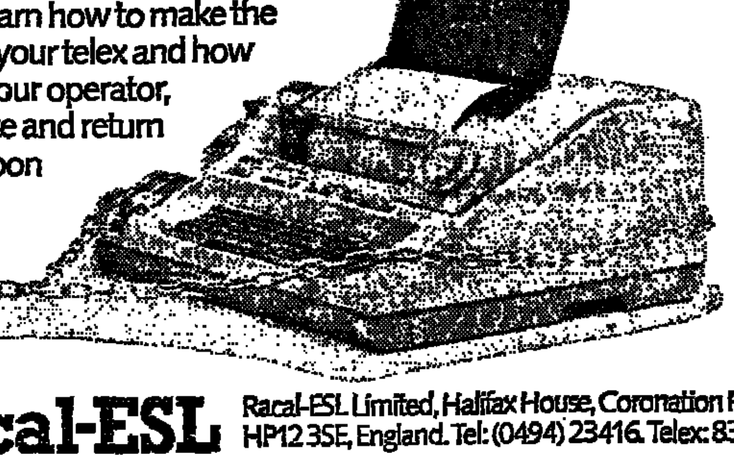
One, on which it is currently working, will affect its existing business with the electric power supply industry.

In an experiment with the Central Electricity Generating Board BICC has produced a metal cable earth wire strung between electricity supply pylons with an optical fibre running through its core. The fibre could even be threaded down one *of the current-carrying* cables. The object wuold be to provide a complete communications network linking all the major power stations and switching stations, as well as control and administration centres.

Other uses of optical fibres include process control in conditions where there is a hazar*dous environment, such as oil* refineries and mines, where fibres remove the risk of sparks. They may also be used eventually in aeroplanes and motor vehicles to replace large quantities of heavy wiring.







LOMBARD

Sir Keith's next logical step

BY JOHN ELLIOTT

THERE ARE some intriguing cross-currents circulating among leading businessmen and among other experts concerned about the progress of the recession and the development of an industrial policy.

On the one hand there is a surge of optimism, if not euphoria, sweeping through the boardrooms of some major companies about the end of the recession and about future industrial competitiveness and profitability.

Alongside this partial revival of hope, there is also a growing frustration over the lack of coherence of the Government's industrial policy. Many industrialists accept that financial aid for BL and steel is economically and socially desirable because of its spin-off effect, helping key areas of the country's industrial base to survive. But, despite their new found optimism, there is still resentment that the heavy funding of the two main lame ducks has left so little help available for the private sector on items like the national insurance surcharge.

Lame ducks

These two views—the optimism and the resentment—come together in the minds of those who would like to see the Government adopt a more positive industrial policy. Industrialists could tolerate the lame duck spending more willingly if they thought the Government had some sort of overall, but detailed, industrial strategy for dealing with winners and losers.

As Mr. Geoffrey Chandler, director-general of the National Economic Development Office, said just before Easter, the country is in danger of acquiring an industrial policy in the same way that it acquired an Empire—"in a fit absence of mind by a series of ad hoc responses to short term stimuli."

Sir Brian Kellett, chairman of TI, said in his company's annual report: "The basis for rational judgments about the future remains as uncertain as ever in the absence of any coherent Government industrial policy." Making it clear that the debate is not about Labour-style intervention in industry, he added that there needed to be "a coherent national policy for industrial survival with the Government seen to be working for its achievement."

Sir Campbell Fraser, chairman of Dunlop, has also made the point in a lecture to the Scottish Association. He is concerned that the Government appears to be letting companies decline and the steel industry run down without positively taking foreign developments into account. "Is the Government satisfied that it is aware of the industrial policies of other Governments and, knowing them, takes account of them?" he asked.

Priorities

All these distinguished gentlemen are, politely, asking Sir Keith Joseph, Industry Secretary, to accept life as it is and to perform better. Sir Keith made a courageous speech recently when he rationalised to his own evident satisfaction the various interventionist moves he has made for businesses like BL, steel and ICL. He insisted these were "not critical setbacks."

He also admitted that the Government had an "industrial strategy" to cure macro-economic problems and to use taxpayers' money to boost industrial investment, research, small businesses and other such positive but un-coordinated developments. But he could not bring himself (and apparently could not be persuaded by his aides) to go further and develop all this into a forward looking approach.

Industrialists, having weathered the rigours of the recession, now rightly want Sir Keith to adopt and proclaim his priorities so that industry knows where it is going and gains from the achievements of the past year.

It is time for Sir Keith to provide a lead.

The art of matching plants

GARDENS TODAY

BY ROBIN LANE FOX

GARDENING IS not just a race against weeds and long grass. It is also an art. Every year there is something new to learn or try out.

The art of matching plants together has never been lost on keen gardeners but it is beginning to interest a wider public. Perhaps we have not all been writing in vain. The opening of so many good gardens to visitors also helps to spread the message widely every summer.

Plant association is not the prettiest name for it, but I have no doubt that we are going to hear much more of it over the next decade.

Neighbours

At the highest level, it is not an art which can be copied easily or transferred wholesale to a wider market. But I do not think that a concern for the final touches should stop our garden stores from thinking of plants as pairs and neighbours. They are beginning to be sold in groups which will associate happily.

I have just seen an Easter customer buy two container-grown azaleas, a batch of sun roses, some dahlias and a golden variegated ivy. She remarked that they would fill her new bed up quite quickly, but I cannot help wondering how the sun-loving rock roses, the shade-loving azaleas, the lime-haters, the lime-lovers, the leaves and the colours will ever shake down together.

She would have been glad of advice on which plants went best with the dahlias which she wanted because she had seen them on television.

Before long, I expect to see garden centres which deserve their name by thinking in terms of gardens as a whole and packing up a company of plants which would look better in association on a given site or soil. Groups of plants would also make for bigger sales.

These packages will never be an end of the topic. Time and again, I notice the most unlikely pairs of simple plants which have been set side by side in patterns and gained from each other's company. Plant associations are best picked up by walking, watching and experiment.

Spring is a good season in which to begin an interest in them, for almost any spring colour goes well with another and you cannot disgrace yourself against that lovely background of living green.

As usual, I have noted a few good Easter examples. In general, the best "associators" agree that colours which are hard and overwhelming in late summer can be particularly fresh and fine when matched in spring.

Yellows, oranges and coral pinks belong with the lime-green shades of emerging leaves. They allow you to contrast strong colour and young leaves in a way which stops the colour from looking harsh or tired. Interior decorators have done much to put fresh greens, warm pinks and shades of peach and strong yellow back into respectable houses. They are groups which spring gardeners, too, can contrive quite easily and fit into the play of light and shade.

Down, then, to some details: yellows and fresh greens are two a penny in April and May, but I never tire of plantings which try to centre on them.

The family of spurges, or Euphorbias, are the first choice here. Most of the easy ones have flat heads of yellow-green flowers and are at their best among young spring leaves of a similar shade.

Gold leaves are not my first thought for the rest of the year, but in April and May I think that any half-shaded bed comes to life round a bush of the beautiful cut-leaved elder, the golden-leaved privet called Lonicera Baggesens Gold and a good run of the prince of yellow-green spurges called Euphorbia polychroma.

The cut-leaved elder likes a cool and rich soil which does not dry out. I will only remind you that you can prune it hard in March when the leaf buds are opening like small butterflies and that it will then remain an upright bush about four feet high and three feet wide. It is not a plant for direct sun.

In front, you can group a few plants of the golden privet whose hard, twiggy branches spread prettily forwards like fans. The spurge fits in this position at a height of about a foot and grows into spreading mounds which block out all weeds. Some golden-leaved hostas would match them very well as their juicy young leaves are opening out to a lime-yellow colour which persists for several months. In front, you could fill up with the golden Creeping Jenny.

If you have no lime, you can liven this sort of scheme up with the glorious spring leaves of two fine shrubs, Pieris and Photinia. The latter will survive on lime in certain forms, but it is far happier in neutral or acid gardens where it is sheltered from extreme wind. Both of them are beautiful for their warm red and coral growing tips which show up strongly in spring. Their vibrant colour matches happily with the lime greens and yellows of a planned spring garden.

Last year, I remember a lovely group of the Wakehurst form of Pieris above the plain butter yellow daisies of a small Doronicum, or Leopards Bane, whose leaves are a welcome shade of fresh green. I would never have thought of matching these two plants until I saw it done. On lime soils, the rest of us have to be content with the young purple growths of paeonies and ornamental rhubarb, a second best.

Almost anyone can grow primroses, but few of us remember to match them with a pure blue, although it brings out their yellow to the full.

In difficult corners and large spaces, you can try the perennial form of Forget-Me-Not called Brunnera. In April this is still a neat plant but later, you have to strip off its rough leaves.

Smaller gardens should try out the lovely little Blue-Eyed Mary, or Omphalodes, one of my favourite spring flowers. Its easy forms will not grow higher than three inches, but are covered in forget-me-not flowers of such an intense blue that they will show up in any shaded corner. They are so much prettier than most mauve Aubretia.

Among strong colours, I have had a happy accident this year with bulbs of a small and brilliant tulip beside clumps of our native Pulsatilla. The tulip is the admirable Praestans Fusilier, a tough small bulb whose true scarlet flowers are very intense but are saved, once again, by their fresh green leaves. About six inches high, it will multiply its masses of flower heads from one bulb and will naturalise like a crocus on dry slopes.

Perfect foil

In a small garden, it needs careful placing but I have found the dusky lavender flowers of the Pulsatilla to be a perfect foil. They flower together and the Pulsatilla's silky young leaves are a shade of grey which tones down Fusilier's brilliance. Anyone can grow them, especially on lime.

There are as many good associations as plants themselves, and they only wait for your experiments to find them. Tastes differ, but without any taste for groups and pairings, gardening remains a source of exercise, not a pleasure and an art.

Norwegian challenges at Epsom

RACING

BY DOMINIC WIGAN

THERE IS NO runner in today's City and Suburban Handicap of the calibre of last year's winner, Sea Chimes.

However, Epsom's mile and a quarter test has again attracted an interesting field which includes the Norwegian-trained Red Seed. Lester Piggott is aboard the commendably consistent Dahl who will be trying to concede from between 2 lbs and 25 lbs to his 10 opponents.

The Dahl-Piggott partnership has met with more success than many anticipated in one or two group races. Red Seed is not one I would care to support now that the ground is riding on the fast side of good.

Two better propositions look to be Queen's Equerry and Mickey Tim. The first named, a compact Hotfoot gelding ideally suited to this track, with its well-known disadvantages for all but handy individuals, got off the mark on this course last summer with a win in maiden company.

Runner-up in a handicap at Haydock a few weeks later, Queen's Equerry is now thought to be back to his best. He is trained by Bill Wightman, the big handicap specialist.

Mickey Tim, bidding to give Dunlop and Carson a third success in the City and Suburban following the victories of Belper (13-2, 1974), and Sea Chimes (13-2, 1980), is another who will surely be turned out ready to do himself full justice. He will be better suited than most should the ground dry up further. He is the chief threat to the Wightman representative.

While flat race followers are studying events at Epsom, a good sized crowd of jumping enthusiasts is likely to be on hand at Cheltenham. There, the Belfast bookmaking organisation sponsors the George Duller Hurdle as well as the two following events, the Sean Graham Chase and the Sean Graham Hurdle.

For the afternoon's most valuable prize, the Sean Graham Hanldicap Chase, it will be interesting to see if the dual course winner, King or Country, proves able to concede 2 lbs and 7 lbs to Snowtown Boy and Fairy King respectively.

EPSOM
2.00—Victorian Painting
2.30—Get Stoned
3.05—Queen's Equerry***
3.35—Alpine Rocket
4.45—Football**

CHELTENHAM
2.30—Army Lad
3.05—Fairy King*

TV/Radio

BBC 1

†Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.45 Roobarb. 9.50 Jackanory: "The Hobbit," by J. R. R. Tolkien. 10.05 The All-New Popeye Show. 10.25 Why Don't You . . .? 10.50-11.00 Play Chess! 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45-2.00 Bagpuss. 2.15 Racing from Cheltenham. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Hong Kong Phooey. 4.40 Take Hart with Tony Hart. 5.00 John Craven's Newsround. 5.10 The Bagthorpe Saga, by Helen Cresswell. 5.35 Fred Basset.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Tom and Jerry.
7.10 The Wonderful World of Disney.
8.00 Terry and June.
8.30 Lena.
9.00 News.
9.25 The Risk Business: "Blue Jeans."
10.00 Sportsnight.
10.50 Paperbacks with Robert Kee.
11.25 "Lamaload," by Alan Garner.
11.55 News Headlines.

All Regions as BBC1 except as follows:—

Cymru/Wales — 5.10-5.35 pm Think Again with Johnny Ball. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.30 Cwlwm 81. 8.00-8.30 The Centenary Rugby Quiz. 11.55 News Headlines, News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.55 News Headlines: News and Weather for Scotland.

Northern Ireland — 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.55 News Headlines; News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Gharbar.
11.00 Play School.
4.50-5.15 and 5.40-6.55 Open University.
6.55 Open Door.
7.25 Mid-Evening News.
7.40 Arrival of the Water Carrier for Mesopotamia.
8.10 International Pro-Celebrity Golf.
9.00 Rhoda.
9.25 The Life and Times of David Lloyd George.
10.25 Reflections Ireland.
10.45 Newsnight.

LONDON

9.30 am A Big Country. 9.55 Friends of My Friends. 10.20 The Outsiders. 11.05 The Adventures of Niko. 11.30 Alphabet: The Story of Writing. 12.00 The Munch Bunch. 12.10 pm Rainbow. 12.30 About Britain. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Racing from Epsom. 3.50 Play It Again. 4.20 Whizz-kids Guide. 4.45 Echoes of Louisa. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Where There's Life. . . .
7.30 Coronation Street.
8.00 The Benny Hill Show.
9.00 The Miami Drugs War.
10.00 News.
10.30 Show-Jumping: Birmingham International Championships.
11.30 Mannix.
12.25 am Close: "Sit Up and Listen," with Leonard Parkin.

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Pavilion Folk. †10.00 "A Town Like Alice," starring Virginia McKenna and Peter Finch. 11.50 The Bubblies. 1.20 pm Anglia News. 6.00 About Anglia. 11.30 S.W.A.T. 12.30 am The Big Question.

ATV

9.30 am Something Different. 10.00 Alphabet: The Story of Writing. 10.25 Morning Cinema: "The Bushbaby." 1.20 pm ATV News. 5.15 Survival. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 11.30 ATV News. 11.35 S.W.A.T.

BORDER

9.30 am Jabberjaw. 9.55 Friends of Man. 10.20 The Export Scotch. 10.45 Chopper Squad. 11.35 Superstar Profile. 1.20 pm Border News. 5.15 University Challenge. 6.00 Lookaround Wednesday. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 5.15 University Challenge. 6.00 Channel Report. 10.28 Channel Late News. 11.30 News and Weather in French followed by Epilogue.

GRAMPIAN

10.05 am First Thing. †10.10 Feature Film: "The Prisoner of Zenda," starring Ronald Colman, Madeleine Carroll, Douglas Fairbanks Jnr., Mary Astor and David Niven. 11.45 Cartoon Time. 1.20 pm North News. 5.15 Diff'rent Strokes. 6.00 North Tonight. 11.30 North Headlines. 11.35 Sounds Gaelic, music and song with a Gaelic flavour.

GRANADA

9.30 Last of the Wild. 9.50 Wednesday Matinee: Oliver Reed in "The Brigand of Kandahar." 11.00 Sesame Street. 1.20 pm Granada Reports. 5.15 Happy Days. 6.00 Granada Reports. 6.25 This Is Your Right. 11.30 Rockstage.

HTV

9.45 am The World We Live In. 10.10 The Secret Mendips. 10.40 Spiderman. 11.00 Sesame Street. 1.20 pm HTV News. 2.00 Houseparty 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.30 Survival. 10.28 HTV News. 11.30 Superstar Profile.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Ffalabalam. 12.30-1.00 Survival. 4.45-5.15 Straeon Y Byd. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Memories of a Lifetime.

SCOTTISH

9.55 am Poetry of Landscapes. 10.10 Sesame Street. 11.10 Charlie's Angels. 1.20 pm News and Road and Weather. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Toya's Talk Back. 6.30 Report. 11.30 Late Call. 11.35 Police Surgeon.

SOUTHERN

9.30 am Nearer Wilderness. 10.20 Chopper Squad. 11.20 The Wild, Wild World of Animals. 11.45 Cartoon Time. 1.20 pm Southern News. 2.00 Houseparty. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day. 6.35 Scene Midweek (South-East Area only). 11.30 That's Hollywood.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 9.30 Survival. 9.55 George Hamilton IV. 10.20 Kum Kum. 10.45 Dandelion Shorts. 11.00 Free Time. 11.25 Jabberjaws. 11.50 Larry the Lamb. 1.20 pm North-East News. 1.25 Where the Jobs Are. 5.15 The New Fred and Barney Show. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 10.30 North-East News. 11.30 Paris By Night. 12.00 Easter—a Living Experience.

ULSTER

10.35 am The New Fred and Barney Show. 11.00 Sesame Street. 1.20 pm Lunchtime. 4.18 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 11.30 Bedtime.

WESTWARD

9.30 am Sea Horses. 9.45 Spread Your Wings. 10.10 Sesame Street. 11.10 Untamed World. 11.35 Rocket Robin Hood. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 University Challenge. 6.00 Westward Diary. 10.31 Westward Late News. 11.30 Faith For Life. 11.35 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Larry the Lamb. 9.40 Cartoon Time. 9.45 "The Red Shoes," starring Moira Shearer, Anton Walbrook and Marius Goring. 11.55 The Undersea Adventures of Captain Nemo. 1.20 pm Calendar News. 5.15 Diff'rent Strokes. 6.00 Calendar (Emley Moor and Belmont editions). 11.30 Paris By Night.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.00 Star Wars. 12.30 pm Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Radio 1 Mailbag. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

VHF Radios 1 and 2 — 5.00-8.00pm With Radio 2. 8.00 Listen to the Band (S). 8.45 Alan Dell (S). 9.15 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Susannah Simons (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S) including Racing from Cheltenham. 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 7.30 European Soccer Special. 9.00 Alan Dell (S) (joins VHF). 9.15 Among Your Souvenirs (S). 9.55 Sports Desk. 10.00 Wit's End. 10.30 Hubert Gregg says Thanks for the Memory. 11.02 Sports Desk. 11.5 Peter Clayton with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (continued). 9.00 News. 9.05 This Week's Composer: John Ireland (S). 10.00 Mozart recital (S). 10.30 Franz Schmidt recital (S). 11.05 Kullervo Symphony by Sibelius (S). 12.20 pm Paul Crossley plays Liszt Piano Music, part 1 (S). 1.00 News. 1.05 Paul Crossley recital, part 2 (S). 2.20 Music Weekly (S). 3.10 BBC Scottish Symphony Orchestra (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Dreamscape by Andrzej Panufnik (S). 7.15 Scientifically Speaking. 8.00 Moscow Philharmonic Orchestra from the Royal Festival Hall, London, part 1: Rimsky-Korsakov, Prokofiev (S). 8.50 Six Continents. 9.10 Moscow Philharmonic Orchestra Part 2: Tchaikovsky (S). 10.00 Don't Move The Paper Any More (S). 11.00 News. 11.15-11.16 Piano Nocturne by Ropartz (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 The Withered Arm. 9.00 News. 9.05 Mid-week: Russel Harty's People. 10.00 News. 10.02 Gardeners' Question Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You and Yours. 12.27 A Murder of Quality by John Le Carré. 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 3.50 Letter from Naples. 4.00 Choral Evensong (S). 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather: Programme News. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 8.20 A Musical Evening with Helen Watts. 8.45 File on 4. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Lord of the Rings by J. R. R. Tolkein (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Unforgettables. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 The Good Vote Guide. 5.30 Music on the Move. 6.33 The Name of the Game . . . Cricket. 7.03 Black Londoners. 8.00 As Radio 1. 10.00-5.00 am Join Radio 2.

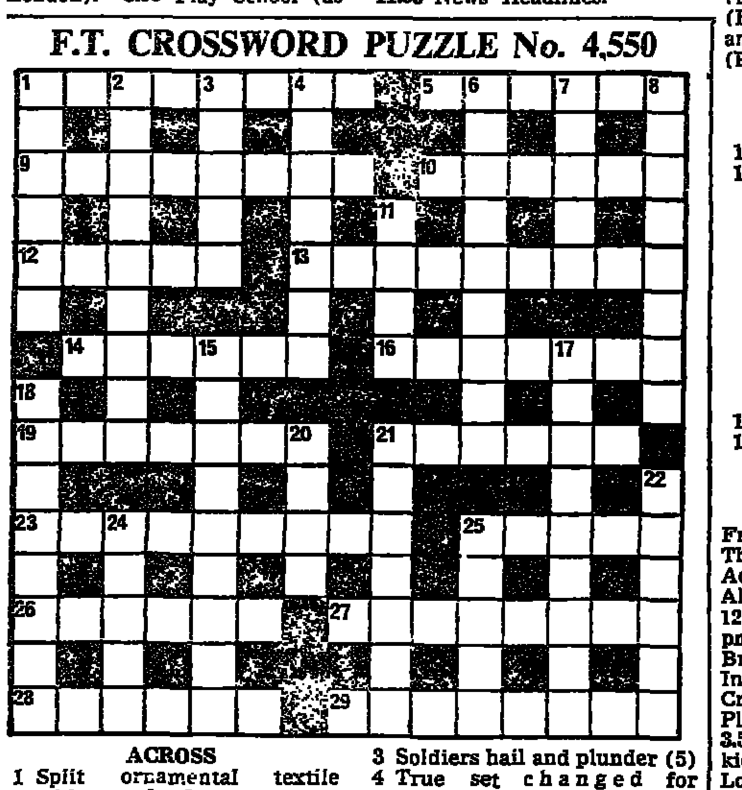
London Broadcasting

6.00 AM—Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life (includes feature on Jazz). 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 Network. 5.00 Morning Music.

Capital Radio

7.00 am Mike Smith's Breakfast Show. 10.00 Tony Myatt. 12.30 pm Mike Allen. 1.00 First Report. 1.10 Mike Allen (continued). 3.00 Roger Scott. 6.30 London Tonight. 8.30 Nicky Horne's Rock Show. 10.30 John Sach's Late Show. 12.00 Midnight Special including Capital Nightcap at 12.03 a.m.

F.T. CROSSWORD PUZZLE No. 4,550



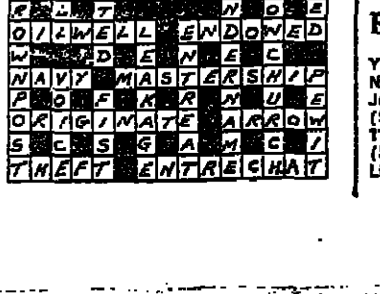
ACROSS

1 Split ornamental textile with speed (8)
5 Stereotyped plate or stereotyped phrase (6)
9 Genus of wading birds with drinks locked in an open case? (8)
10 Reconcile an old fogey (6)
12 Recess or start of holiday in Nice (5)
13 Time to get up and yield to circumstances (9)
14 Type of paper producing a a mass of lies (6)
16 A smirk from sullen star performer (7)
19 More recent article pertaining to the Pope's cathedral church (7)
21 Putting fish in pen could be very hard (6)
23 Child's mother goes to look like a burglar for a sarcophagus (5-4)
25 Follow mother in principle (5)
26 Turn in a fool or blockhead (6)
27 Step and stick for a carpet controller (5-3)
28 Blades collectively duck a fit of anger (6)
29 Upright and at the top (8)

DOWN

1 Concealed the French wine (6)
2 Compulsorily enrolled to study text (9)
3 Soldiers hail and plunder (5)
4 True set changed for treasurer (7)
6 Flavour from alcoholic drink on the rocks (9)
7 Animal habit I must follow (5)
8 Scrooge's first chapel (8)
11 Self-complacent start of smile on face (4)
15 Waif with tray to throw around (9)
17 Symbolic large coil entangled (9)
18 Red duck or another bird (8)
20 Animal without water? (4)
21 She must accept heat to cover the point (7)
22 Wood for a light shoe (6)
24 Vehicle taking doctor over hill (5)
25 Wander around aimlessly in tunnel (5)

Solution to Puzzle No. 4,549



ENTERTAINMENT GUIDE

OPERA & BALLET

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THE ARTS

Television

Pulling out the Easter plums by CHRIS DUNKLEY

Christmas, it seems, has been established as television's great Ratings Festival, what with one competition to find the world's most hackneyed old movie, and another to decide which regular series can make you cringe most with its sugary Christmas "special." But if your interest is in watching television "pulling out the big one" and "coming good"—television's own terminology, you understand, not mine—then Easter would appear to be your time.

Partly by design and partly by sheer chance, the period around Easter seems to acquire greater significance for television every year. Judging from the output, the difference between the two festivals as discerned by television people is that Christmas with everybody indoors is a cosy family holiday requiring inoffensive material appealing simultaneously to everyone from infants to pensioners (i.e. *The Sound of Music*) whereas Easter, although it can do with a circus or two (*Robert Brothers'* on BBC 1, *Billy Smart's* on ITV, clashing as usual) is more serious, less of a family occasion, with a greater need to cater for minorities, but presenting a very good opportunity to show off work which is more expensive or worthy than usual and preferably both. Hence such programmes as London Weekend's profile of Sir William Walton, *At The Haunted End Of The Day* and poor Southern's *Fauré Requiem*.

Hence, too, the annual green baize marathon on BBC-2, the World Championship in *International Snooker* which started this year on April 5 and took two weeks to reach its culmination with the triumph of the young, neat, calm and extraordinarily consistent Steve Davis. By the time he had racked up his 18th win in the final 35 frames on Bank Holiday Monday even those of us who scarcely notice *Pot Black* during the rest of the year were behaving like addicts with withdrawal symptoms whenever Frank Bough dragged us away to watch horses jumping over hedges in Chepstow and over a set of giant Hornby train accessories at Hickstead.

Television plans the snooker climax that way, of course, the BBC apparently having tight enough control over the championship to regulate successive transmissions from the midst of the cigarette smoke and the artificial light of a Sheffield theatre. But they can hardly be controlling the way in which a completely contrasting outside-broadcast breaks in from the great outdoors with a dramatically contrasting story. Last year it was the siege and relief of the Iranian Embassy, this year the launch and retrieval of the *Space Shuttle*.

For those of us who were teenagers in the sixties, space shots even more than elections typified the excitement of the shared television event. Today, without the infectious enthusiasm of James Burke (why didn't they bring him back for the Shuttle to do what he always did best?) and with one's own children treating the occasion as routine, the edge seemed to have gone off it. But if that occasion failed to come up quite to expectation, other major undertakings were far more rewarding than one might have anticipated.

Towering over the whole week was BBC1's magnificent production of Arthur Miller's *The Crucible*, directed by Don Taylor and produced by Louis Marks. It is rare for a studio-bound version of a conventional stage play (conventional in that it is usually acted within a proscenium arch) to impress on television as much as this did. It helps, perhaps, that the work is not only set indoors but concerned with an intimate inward-loking society. John Treays's superb lighting emphasised the feeling by conveying the literal and figurative importance of the surrounding darkness.

But in the main the quality emerges from the acting and Taylor and his powerful cast gave us an admirably straight and faithful rendering of the text. The result proved more than 25 years after the play was written that far from its significance being limited to parallels between the Christian witch hunts of the 17th century and McCarthy's in the 20th it speaks of the human condition at all times. In particular it points to the dangerously powerful appeal of the irrational and the supernatural which has been exploited by so many religions, and the way that oppression—religious, social, political, sexual—feeds that appeal.

It seemed to me a greater play than *Timon of Athens* which BBC2 brought us four days later. Up to now everything Jonathan Miller has done since taking charge of "The BBC Television Shakespeare" has improved it. But *Timon* raised doubts. Having set *The Taming Of The Shrew* and *All's Well* in Dutch interiors, perhaps he should have tried putting *Timon* in a classical Athens instead of re-issuing all those starched white ruffs. Maybe the cave should have been Cornish/gothic. Might Jonathan Pryce have been usefully held in reserve for some equally angry but better known role so that it mattered less that we could not always hear what he said?

Something should surely have been done because although the first half (up to the climactic "Uncover dogs and lap" scene with the bowls of water) was effective enough, the second half with an incoherent nutter squatting in an Anson shelter beside a very flat shingle car park was decidedly boring. Even the idea of having Pryce deliver his final speech goggling at us upside down in big close up could not disguise the tedium. No doubt Shakespeare (or perhaps his co-author?) is more to blame than Jonathan Miller, but one looks to Miller for more invention than this.

You could hardly find a greater stylistic contrast within naturalistic television drama than Kevin Billington's version for Granada of Ford Madox Ford's *The Good Soldier*, adapted by Julian Mitchell. Where *Timon* was studio-bound *The Good Soldier* was shot on gorgeous locations in German spa towns and the English home counties. When *Timon* was dark *The Good Soldier* was often blindingly bright. While *Timon* looked as though it had been produced while saving up to do something else *The Good Soldier* looked as though money was no object. And whereas the action in *Timon* was chronological that in *The Good Soldier* was revealed as though the script had been folded over and over on itself and then cut open to reveal the layers.

But however brilliant the production (Peter Eckersley producing) the opening line—"This is the saddest story I ever heard"—is the most significant. "This is the most dismal story I ever heard" would be better still, since that would carry no pretensions to the grandeur of high tragedy which is, indeed, missing. Set the same immoral tale in the Gorbals and the TV cleaner-uppers would complain of its squalidness.

There was a similarly vivid contrast between ITV's two Easter week music programmes: *At The Haunted End Of The Day* and *Fauré Requiem*, yet each was of a type which has won ITV the world's leading television music prize, the Prix Italia, in recent years. For the requiem director/producer Dave Heather, working for Southern which is under sentence of death, sustained a visual pattern around the music with the grey stone of Winchester Cathedral, the scarlet cassocks of the choristers, and the black outfits of the orchestra rather in the way that Francis Coleman di[d] for his prize winning version [of] Britten's *St. Nicolas Cantata*.

Tony Palmer's Walton [bio]graphy, *At The Haunted End Of The Day* was perhaps unsurprisingly similar in several ways to his own prize winning programme about Benjamin Britten, *A Time There Was*. We have come to expect from Palmer a very high level of technical proficiency, clever and suitable incorporation of music, and a clear sympathy with his subjects. All this we got in the Walton programme, yet I was left hankering for a little of the daredevil Palmer enthusiasm which used to go into his pop music programmes, and/or the sort of personal interpretation which Ken Russell worked into his early composer programmes, though admittedly his subjects were dead.

With its smooth flow, cleverly punctuated by a strikingly filmed performance of Belshazzar's Feast under Simon Rattle—among other pieces of music—*At the Haunted End Of The Day* may well win Palmer another shelf load of Zinc Stoats. It is certainly better than most television music programmes made anywhere else in the world. But as with Jonathan Miller and televised Shakespeare so with Palmer and music biographies: he deserves to be judged against the very highest standards.

And although this pro gramme was beautiful to lo at, well researched, and s ported by interesting testim from Walton's acquainta r, notably Laurence O dy Sacheverell Sitwell and ma: Walton, it left an eans having used music as y at to escape Oldham, e Sit- Oxford, scrounge o finally wells (this word) does he achieve eminence, w he says, feel about it excep enough? that he has wri gram from And if a mere gh to make the Queen is e e been living him cry why h an Italian for decades e climate? island? Solel

In televis s own terms it was not w this programme that Lond Weekend pulled out the b one, of course, but with Bri Moore Meets Captain Mark llips, a title so cumbe e that they might just a ll have added *Not To Ment His Wife*. It became fairl lear why, two days later, Pri ss Anne was voted "[Mo]st Popular Royal" in a S ay Telegraph survey. With t Captain blithely telling 's foremost soccer presenter w he never misses *Match Of he Day* (a BBC series) the person coming best out of this programme, which at 90 minutes was about half-an-hour too long, was the eponymous Mr. Moore.

Lynn Dearth and Michael N. Harbour in The Crucible

Festival Hall

RPO/Leindorf

Erich Leinsdorf did not in Monday's concert coax the Royal Philharmonic Orchestra to quite such a peak of brilliance as marked its playing for him the previous Wednesday (in a glorious performance of Bartok's Concerto for Orchestra), but he none the less secured a might rendering of Brahms's Four Symphony and an enjoyable not especially distinguished of Mozart's very great, . modest 29th Symphony in Actually the wind play ain the latter did lend a were distinction; but the stri right too many and not qui ssion or willing enough; an paired of repeats througho the structural sens s we had

Between these f Bartok's a rare performan —an *opus* Violin Concerto written in *posthumous* th poser was 26. 1907 when the sic was known Until 1958 th e first of the only throug p. 5, which the *Two Portra* of the present first move t work subse- two-move me. It is not hard quently Bartok stayed in- to see o the fate of the differe . Not even Josef Suk's remai could draw its few, adv overstretched ideas into me blance of symphonic a nce and prevent a rather rtokian collapse into bast, abetted by failing estral ensemble here. einsdorf, who even conducts oncertos from memory, for once had his head in the score.) But Suk's silvery perfection in the modal, rhapsodic first part was wholly beguiling. In the *Portraits* this movement is labelled "Ideal" and is set off by a "Grotesque" study which one can now definitely say is a better context for it.

Leinsdorf's Brahms was marvellously hard-driven, always clear of rhythm and texture yet with an austerity that quite properly did not exclude warmth. Not that the Andante was exactly free with its consolations, but they were there. And the Passacaglia, so solemn and spare, was expounded in the only way that is really convincing—by recognition of the fact that emotional asceticism and musical parsimony may be novel and fascinating expressive qualities in their own right.

PAUL DRIVER

F ival Hall/Radio 3

La Resurrezione

On Easter Sunday the Academy of Ancient Music offered a revival of Handel's Roman oratorio, *La Resurrezione*, played in the Festival Hall and broadcast on Radio 3. The piece is an ambitious one: Handel aimed to impress his principal Italian patron, the Marchese Ruspoli, with his operatic potential (at the time staged opera was banned in Rome by papal edict) and he wrote for a large, diverse orchestra.

The forces employed for *La Resurrezione's* première which was led by no less a violinist than Corelli—were accurately reflected by the Academy of Ancient Music, giving them fair justification for calling this "the first complete and authentic performance" since the work's debut in 1708, despite two recent British revivals. One of the singular pleasures of Sunday's performance was the impact of hearing a large baroque string section of about 20 violins and five double basses playing in a more resonant than usual (because half-empty) Festival Hall. At full throttle this was an exciting and bracing sonority. However, questions of balance with the vocal soloists constrained director Christopher Hogwood from using the full scope of his band very often; yet many of Handel's quieter arias, scored for intimate obbligati of recorders and viol or solo violins, were inevitably diffused and partially lost in so large a space.

Unlike the later English oratorios, *La Resurrezione* does not employ a chorus. The full burden of the work is designed to be carried by virtuoso singers. Of Sunday's soloists only David Thomas had the size of voice, accurate coloratura and well-schooled diction that all the parts ideally required. As Lucifer, his dramatically assertive bass music naturally invited greater projection of the character than his rival saints, but it is much to Thomas' credit that the balance of Handel's invention and of Baroque musical rhetoric were never overstepped. Emma Kirkby ran him a close second in the brilliant high soprano part of the Angel that heralds Christ's actions. Balancing her light voice against the 20 violins employed proved difficult, and her less than incisive diction did not help.

The most emotionally varied role, that of Mary Magdalen, was sung by Patrizia Kwella in detached, uncoloured tones, often inflected against the natural stresses of the Italian text and indifferently pronounced. One hopes, at least, that this last point is corrected before the Academy record this work.

RICHARD JOSEPH

New York Dance

Merce Cunningham by DAVID VAUGHAN

Shortly after his return from London last summer, Merce Cunningham had a knee operation. While he was recuperating he composed a short dance—[actu]ally a sequence of arm movements—which he called "The Bedridden Hop." Later he performed it at an "Event" performance in his New York Studio: after limping across the floor he lay down on his back and then slowly, painfully, rose first to one knee then to both feet, all the while executing this series of gestures. Finally, he marched about the room and came to a halt in a heroic attitude, arms thrust out to the side.

At once the Studio was invaded by the members of his Dance Company, walking, running, skipping, falling to the floor—and all performing the "Bedridden Hop." The effect was like something out of Beckett, funny and tragic and uplifting — one became more aware than ever of how Cunningham is separated from the younger, more agile dancers, yet he endures and not only survives but triumphs over such setbacks.

That Cunningham's creativity remains unimpaired was made evident in his recent repertory season at the City Center, during which two brand new works were presented, as well as the first New York performance of *Fielding Sixes*, which had its premiere in London last July. The first of the new dances, *10's with Shoes*, is in fact a kind of companion piece to *Fielding Sixes*: in both cases the titles refer to the counts of the phrases of which the choreography basically consists, and the title *10's with Shoes* also refers to the dancers' apparel — Cunningham dancers are usually barefoot, but here they wear white jazz shoes. Again, like *Fielding Sixes*, it is fast-stepping, densely textured, yet light-hearted. There is a lovely set by Mark Lancaster, a number of cloth panels in colours ranging from deep blue through greens to mustard yellow, with an irregular pattern of small white squares. These panels may be hung in any arrangement, as backcloth and wings.

Enjoyable as it is, *10's with Shoes* is minor Cunningham, but the other new piece, *Channel/Inserts*, is a major work. Like *Locale*, it originated as a film/dance which Cunningham then reshaped for the stage, reversing the usual procedure. The dramatic, even sober tone of *Channel/Inserts* is intensified by another of David Tudor's apocalyptic sound scores—this one sounds like an artillery barrage. The piece displays the strength of the current company in a series of overlapping duets and, towards the end, a series of brief, brilliant solos for the men.

Particularly intimate, even tender, in feeling are the duets between Lise Friedman and Alan Good; during the first of these, Friedman and Joseph Lennon, who is standing to one side, exchange a long look. At the very end of the work, Friedman and Good repeat their duet, then walk off hand in hand as the curtain falls. The audience, of course, are free to interpret such moments as they will, but *Channels/Inserts* is undoubtedly one of those Cunningham dances that seem to have an unstated subtext, an impression reinforced by Charles Atlas's clothes, a mixture of casual everyday wear and the assortment of sweaters, tights, socks and other garments that dancers wear in rehearsal. The company—changed somewhat in personnel since they were at Sadler's Wells—showed not only increased technical assurance but a growing ability to create the kind of atmosphere that gives this dance its power.

At one performance of Cunningham's solo *Tango*, in which he shares the stage with a television set that shows whatever happens to be on at the moment it happened that Fred Astai came on in one of his old mo routines. There's probably o other dancer that Cunning m would rather be upstaged — and precious few who uld manage to do it.

New York Theatre

Recent openings by FRANK LIPSIUS

The 10-year-old Acting Company was founded by actor-director John Houseman to give work to young acting-school graduates and to take productions outside the main American theatre circuit. Travelling 32 weeks a year, it makes only infrequent appearances in New York, though it attracts top directors for its diverse mix of classical and contemporary works.

The Public Theatre is hosting a visit that begins with Liviu Ciulei's production of Goldoni's *Il campiello*. The dominating presence of women does not take long to reveal their preoccupation with men—and, more specifically, marriage. Two of the houses in this poor section of 18th century Venice contain a mother and daughter each after a mate, while a third boasts a beautiful woman kept in tow by a stern uncle and the last has a mother with her marriageable son.

The trick is to string out the obvious through two acts of petty squabbles and matchmaking. The arrival of a once-wealthy cavalier to attend the carnival and admire the native female ecological imbalance provides the catalyst for both the light relief and the ultimate inevitabilities. Charming and spendthrift, Richard Howard as the nobleman bankrolls a wedding feast for one nubile denizen and her beau, the itinerant ribbon hawker. Despite the resistance of the bookish uncle, the visitor wins the hand of the beautiful young woman, while the other characters forget their own search for men in the ensuing celebrations.

The director makes the most of the bawdy scenes of revealing revelling, when the women drink, scream and carry on like children in a sandbox. Giving the women distinct attributes sometimes goes awry, like lumbering the beautiful woman, otherwise elegantly played by Pamela Nyberg, with a silly "s" lisp, though the household of mother and daughter played by Lynn Chausow and Johann Carlow is full of good-natured banter and conflict. Radu Boruzescu's naturalistic set comfortably accommodates all the houses and requisite balconies round a beautifully realised square with a rough wood floor on which the carousing takes place. Richard Nelson's adaptation adds little to the bare bones of a Goldoni plot with its marriage ceremonies that become little more than anticlimaxes to the other boisterous celebrations.

Billie Whitelaw's solo performance of two short Beckett works at La Mama starts with a reading of the 1966 story, *Enough*. The repeated incantations in the descriptions of the narrator's double no doubt commended the story to Miss Whitelaw and the director, Alan Schneider. As a result, the reading has a certain mellifluous cadence, but it is not easy to follow because the characters' qualities, lacking consistency and connections, fails to provide a coherent image.

In the world premiere pro duction of *Rockaby*, Mi Whitelaw is made up as an o dying woman who slowly ro ks back and forth in a chair w le a voice-over lulls her to a p ce-ful end. The voice talks the rocking figure and abou her. Her world is circumscri ed by the place in which e is sitting, with her imp ding death described as a ourney down-stairs towards Mother." She sits by the wi ow upstairs as long as the s de is open and she knows t "another like herself, one ing soul" is also at her wind .

The voi then describes the journey wnstairs toward the isolation at envelopes the old woman. The only word she speaks "mother" as a cry of pain, hich the voice cajoles back peace and a gradual weak ing acquiescence to the fina eunion with her mother.

O y a quarter of an hour lo , the piece gives little scope to iss Whitelaw, though Esther ng has dressed her in appro- iately funereal attire. The ork is depressingly immediate in its slow steady pace toward death, describing the woman enough to know no more than her urgent, weakening search for peace as a culmination of her growing isolation. The final cry to "mother" is only half-spoken as she slumps into unconsciousness. The voice-over is simultaneously soothing and frightening.

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Riyadh uses its oil power

IT MAY BE tempting to over-interpret some recent developments which seem to point to a softening of the international oil market. In its latest oil supply agreements, Kuwait has apparently been unable to impose the kind of price premium of which it was talking very recently; and Sheikh Yamani has indicated that Saudi Arabia intends to keep its oil production up and its price down, in order to force a realignment in the price charged by some other members of the Organisation of Petroleum Exporting Countries. But it would be a mistake to leap to the conclusion that Opec's so-called "cartel" is breaking up, let alone that oil prices are dependably heading in a downward direction in real terms.

If Sheikh Yamani wants to hold down the general level of oil prices, it is not out of altruism for the West; it is because Saudi Arabia's needs, and the relevant time-frame for meeting those needs, differ from those of some other members of Opec. Yamani's greatest fear, which he expounded with great clarity at a private lecture in Dammam earlier this year, is that too steep an increase in the price of oil will force importing countries to conserve, economise and diversify their energy consumption at a speed which would damage Saudi Arabia's interests.

Alternatives

Algeria, he says, will in any case have declining oil sales till they peter out at the end of the decade; such a country has every incentive to exact the highest possible price now, because its immediate needs are for development, whereas it will have no oil to sell by the time alternative energy sources come on stream on a big scale. But Saudi Arabia will continue to have large reserves 10 years from now, so its interests are best served by not giving an extra stimulus to the process of energy diversification in the West, so as to have time to build an alternative economic base of its own.

No doubt the Saudis are also motivated by other considerations as well. The 1979 oil price increase did not only stimulate a renewed interest in the West in reducing dependence on the oil-exporting countries; it also helped precipitate a world recession, which itself played a large, unquantifiable part in reducing oil consumption last year. Economic recovery and prosperity in the West must be in the Saudi interest, not merely because of what it implies in terms of demand for (Saudi) oil, but also because of what it implies in terms of political stability in the West, and the attitudes of Western policy-makers towards the oil-producing countries.

Influence

In particular, the Saudi regime wishes to be on good terms with the U.S., which it sees as a possible protector in an emergency, and as the only outside power capable of exerting the kind of influence on Israel which might advance the prospects for an Arab Israeli settlement. It is not surprising, therefore, that Sheikh Yamani should have made much, in an American TV appearance, of his desire to hold down oil prices, at a time when the Reagan Administration is facing a possibly embarrassing conflict in Congress over its offer to sell advanced aircraft to Saudi Arabia.

Indexation

But none of this should blind us to the fact that Saudi strategy is to secure a unification of Opec prices as a prelude to an agreement on price indexation in future, linked to western inflation, growth and currency movements. In that sense, the Saudi objective is to try to turn Opec into something much more like a real cartel, which would attempt to impose relatively steady real increases in the price of oil. The attempt could well fail: even united, Opec is not a monopoly supplier, and accidents (like the Iran-Iraq war) could bring about sudden dislocations in the volume of supply as well as in the market expectations of consumers. But the Saudi objective is not to stabilise the price; just to smooth out the rate of real increase.

It would therefore be a serious error for any western government to ease the incentives for energy conservation and diversification.

Rising tension in Ulster

MRS. Margaret Thatcher is undoubtedly right to refuse to meet the three politicians from Eire who wish to intercede with her on behalf of Mr. Robert Sands, the IRA hunger striker and recently elected MP for Fermanagh and South Tyrone. A meeting between a British Prime Minister and a group of foreign politicians, acting in their private capacities, over what is essentially a domestic UK issue would be a controversial and largely meaningless event at the best of times. Given the present tense circumstances in Northern Ireland and the extreme delicacy of relations between the Governments of the UK and Eire, any official recognition of the three Irish MPs' initiative would have been totally counter-productive in seeking a solution to the hunger strike.

The first thing to be said about Mr. Sands' hunger strike is that there can be no question of granting him or any other convicted member of the Provisional IRA political status. Such status does not exist. To invent it now, merely because Mr. Sands has set the Government a problem, would be to elevate the Provisional IRA into a legitimate political movement.

Violence

The second thing to be said, however, is that it would not be in the interests of the British Government, the Irish Government or of the great majority of the British and Irish people for Mr. Sands to die in present circumstances. His death would precipitate another by-election. It is entirely possible, though not certain, that the republican candidate would again be the victor. At the very least, there would be a pretext for a continuation of the violence and unrest which the election of Mr. Sands and his hunger strike have done so much to rekindle.

It is right, therefore, that the efforts to dissuade Mr. Sands from his chosen course should continue. These efforts have come from a variety of sources: the British Government, the Irish Government, the church and several Irish politicians. Such a combination of effort, though little publicised at the time, was successful in stopping a much larger hunger strike before fatality just before Christmas. The methods then used were to persuade the strikers that they could have better conditions than they endure at present, even if their misery is largely self-inflicted.

If it really is only a matter of prison conditions, then there can be no harm in the authorities doing their best to alleviate the problem. There would be no harm either in again bringing in the European Commission of Human Rights, this time as a matter of urgency. The Commission, after all, did not previously come down in favour of granting political status: it concentrated on prison conditions. It is better to have the Commission on one's side than not. Not to resort to it now would be a lost opportunity.

Coincidence

Still, both the British and Irish Governments had better brace themselves for the worst. In Dublin Mr. Charles Haughey, the Prime Minister, seems poised to call an early General Election, probably towards the end of May. In Northern Ireland the local elections are due to take place on May 20. The latter have already been billed in advance as a test for the Rev. Ian Paisley and the extent of his Unionist support—some of it perhaps a reaction against the more friendly atmosphere nowadays between Dublin and London.

It would be impossible to predict the result of the Irish election—where the state of the economy must play a part—or of the local elections in Ulster even in the simplest of circumstances. But the circumstances now are not simple. First of all, there is the coincidence of elections, though of a different kind, in the north and the south at almost the same time. There may also be the coincidence of the death of Mr. Sands and the prospect of another by-election in Fermanagh and South Tyrone.

What that reduces to is that the British Government ought to be preparing for another Irish initiative some time in the early summer. Mrs. Thatcher needs to say more than she has said so far about how far she has gone in her talks with Mr. Haughey. But we do not think that there is anything to be ashamed of in bringing in the Irish Government to tackle what is, after all, an Irish as well as a British problem.

'FOREIGN LABEL' EXPORTS

Japan's Trojan horse

By Charles Smith in Tokyo

WHEN Japan's exports of colour television sets to West Germany started growing by leaps and bounds in early 1980 the most vociferous outcry came from a group of people who were in all probability among the biggest buyers of Japanese TV sets—the European electronics manufacturers themselves.

Behind this apparent paradox lies a flourishing but little discussed form of international trade: the sale of manufactured products made in Japan and other Asian countries to nominally competing American and European manufacturers under what are known as OEM (Original Equipment Manufacturer) contracts.

OEM sales account for a significant (though not precisely measurable) proportion of Japan's total exports of products such as TV sets, audio equipment and even cars and computers. They have also come to play a key part in the survival strategy of at least one major Western manufacturer.

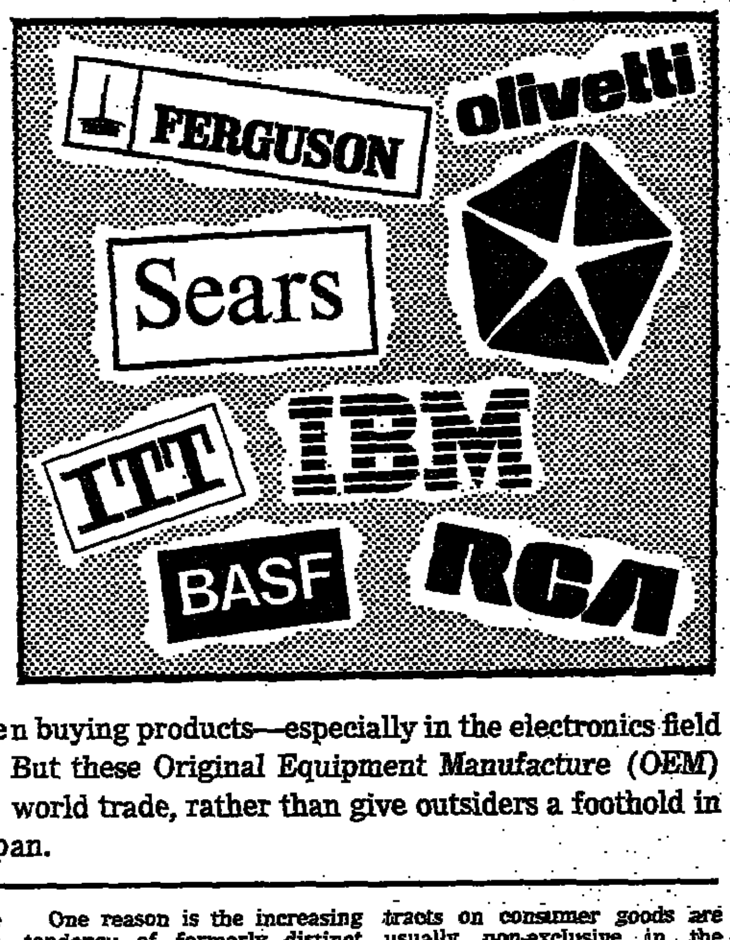
For Japanese manufacturers, meanwhile, OEM contracts provide a useful entrée into a foreign market. Once a Western manufacturer has lost the capacity to make whatever product is being supplied on an OEM basis the Japanese company may try to take advantage of the fact and sell under its own name. For most of Japan's companies this remains the final objective.

The following questions examine the growing use of OEM.

Why do Western manufacturers buy from Japan something which they could make for themselves, thereby creating employment and expanding domestic employment?

The reasons tend to be complicated but they boil down to the following two points: first, nearly all large Western companies today make or procure products in whatever places they judge to be the most convenient places, regardless of considerations about the level of unemployment in their home countries. Second, Japan is a country in which "offshore" manufacturing investments by Western companies are difficult for a variety of cultural and administrative reasons. The next best thing to owning your own Japanese factory and selling its products in the West is to buy from a "friendly" Japanese company which will make a product to your specifications and remain conveniently anonymous while you market it under your own brand name.

Major Western electronics manufacturers have been doing this since the late 1950s but are doing it more than ever today because Japan has become such a competitive source of supply for almost every electronic product under the sun. One leading West German audio and TV maker is popularly believed to be more than 50 per cent dependent on Japanese suppliers for the products which bear its brand name (although "Made in Japan" labels appear on none of the goods concerned). An equally well-known



For over 20 years, Western manufacturers have been buying products—especially in the electronics field—from Japan, to sell under their own brand names. But these Original Equipment Manufacture (OEM) contracts tend to consolidate Japan's supremacy in world trade, rather than give outsiders a foothold in Japan.

U.S. manufacturer admits to having procured $108m worth of goods from Japan last year, of which 60 per cent were finished products.

Are some Western electronics manufacturers degenerating into trading companies handling Japanese products?

A majority of the companies concerned say no. "Buying in" certain products instead of trying to make everything at home is said to have enabled top Western manufacturers to concentrate their efforts in areas which "really matter." An example of such concentration which is widely quoted is the decision of the U.S. electronics industry in general, and of RCA in particular, to place maximum emphasis on the development of video disc technology while allowing Japan, at least temporarily, to dominate world markets for video tape recorders.

The decision "makes sense," in the view of one of RCA's main European competitors, because VTR is still in a transitional stage (two rival systems, both Japanese, are contending for supremacy and the cassettes used by both are arguably too large for the convenience of consumers).

But opting out of VTR—or rather deciding to buy it from the Japanese on an OEM basis has meant that the West today builds only about 1.5m VTR sets a year out of estimated world production of 8m sets. The remaining 6.5m sets are being built in Japan and sold in Europe and America under the brand names of at least 20 different Western electronics manufacturers.

Have Japanese manufacturers won control of an entire market sector by using the OEM approach?

They do appear to have done so in the case of the American audio industry. U.S. manufacturers, according to one estimate, now make only a "few per cent" of the 20m odd audio items (such as amplifiers, tape decks and car stereos) that are sold every year on the U.S. market. A large part of the remainder comes in from Japan and other Asian countries under OEM agreements. U.S. manufacturers originally adopted an OEM strategy for audio products partly in order to avoid wasting manpower and capital on what was seen as a fashion-prone or fad-conscious market. Now they buy from Japan because Japanese products are considered to be superior. One of the leading "middle brow" U.S. makers of consumer electronics products, which formerly had audio products made in Europe for sale in the U.S., recently decided to switch all its procurement to Japanese and other Asian suppliers.

The next best thing to owning your own Japanese factory and selling its products in the West is to buy Japanese while you market under your own brand name.

Is this phenomenon just restricted to consumer goods?

It was, but it is now spreading. Recent examples of OEM tie-ups outside the consumer field include the purchase by ITT of data entry terminals and facsimile equipment from Toshiba and by IBM of small-size plain paper copying machines from Minolta. ITT says that its "professional" OEM purchasing is on a much smaller scale at present than the consumer side of its OEM business. However, the impression is that this sector of the market could grow rapidly.

One reason is the increasing tendency of formerly distinct technologies to "merge" in each new generation of products. Companies which could once count on fulfilling all their needs with "in house" technology are now being forced to buy in from outside (IBM's rumoured interest in purchasing small computers or computer peripherals from Matsushita would seem to be an instance of this phenomenon). Another increasingly important point is that Japanese products often seem quite simply to be better. Western computer manufacturers who wish to compete with IBM across the full range of the market seem to have little choice nowadays but to sign OEM contracts for big Japanese computers. Hence, the complex network of agreements under which Hitachi supplies its big computers to National Advanced Systems, a subsidiary of National Semiconductor, the U.S. computer company, Olivetti and BASF, the leading West German chemical company.

Do the Japanese manufacturers retain the right to sell under their own name despite these OEM deals?

In the case of capital or professional equipment it is common for the contract to be exclusive (for example Toshiba will be barred from exporting "medium speed" facsimile machines during the lifetime of its contract with ITT. OEM contracts on consumer goods are usually non-exclusive in the sense that a company which receives an order for, say, tape recorders is barred neither from selling tape recorders under its own brand name nor from entering into other OEM agreements with other Western manufacturers.

An example of "multiple" OEM exporting which would probably take some beating comes from the Osaka electronics manufacturer, Sanyo Electric. During the 1960s and early 1970s Sanyo supplied tape recorders to four U.S. companies (Craig, Westinghouse, Channelmaster and GE) and colour TVs to five (Symphonic, RCA, Philco, Emerson and Sears Roebuck). Ringing the changes on the many different TV models needed to satisfy its clients is one of the secrets of successful OEM production, according to Sanyo.

Do most Japanese companies favour the OEM method of exporting?

Opinions differ sharply. Sanyo Electric was the earliest, and probably remains the leading exponent of OEM, exporting in the consumer electronics field. (It signed its first contract for transistor radios in 1959 and did not begin marketing Sanyo-brand products in the U.S. until 1970.) At the opposite extreme is Sony which dislikes OEM and concentrates on promoting its own brand image.

Sony's chairman, Mr. Akio Morita, is fond of recalling how he rejected an order for 100,000 transistor radios from an American company in the late 1950s because the (at that time almost unknown) Sony brand name would not have appeared on the product. Even Mr. Morita, however, has been obliged to resort to the OEM formula in order to keep up Sony's end in the bitter international battle between the two rival Japanese versions of video tape recorders.

Sony signed an OEM agreement for the supply of its Betamax VTR machines to Zenith in February 1977, a month before Matsushita signed a similar agreement to supply the rival VHS formula machine to RCA. Since then Sony, Matsushita and Japan Victor (the original inventor of VHS) have been vying with each other and with a handful of secondary Japanese licencees of the two systems to sign OEM deals with Western manufacturers.

What are the snags for Japanese companies?

The main snag about the OEM method of market entry from the Japanese exporter's point of view is that a contract may end (or be revised downwards) before the manufacturer is ready to start selling under his own steam. Sanyo Electric suffered a 20 per cent fall in its colour TV sales to the U.S. in 1975 because its principal American customer, Sears Roebuck, decided to switch its procurement to an ailing U.S. manufacturer in which Sears held a 25 per cent interest. Sanyo eventually solved the problem by acquiring the remaining 75 per cent of the U.S. company's stock—thereby shifting the emphasis of its American TV business from OEM exports to on-the-spot manufacture.

An OEM agreement which is claimed to have worked badly for a Japanese company, while perhaps ensuring the survival of its American partner, is the sales tie-up between Mitsubishi Motor Corporation and Chrysler. Mitsubishi's small fuel-efficient cars, sold under various Chrysler brand names, turned out to be the only Chrysler cars that did sell well throughout most of 1980. Mitsubishi, however, says that Chrysler has "rationed" sales of its cars to less than their natural levels in order to avoid having its own models overshadowed. It also accuses Chrysler of buying only two-door models so that Mitsubishi is the only Japanese car maker unable to sell four-door cars in the American market.

Do Japanese companies ever sign OEM import contracts or is the traffic entirely one way?

Several big Japanese companies make no secret of the fact that they sometimes buy consumer products from suppliers in neighbouring Asian countries which are then resold under their own brand names in Japan. Toshiba has an arrangement covering various consumer electronics products with Tatung Company of Taiwan while Sony bought tape recorders until last year from a Korean company in which it held a minority interest.

No Japanese company, however, is as dependent on OEM lines of supply from neighbouring countries as some Western manufacturers appear to have become on Japanese products. The Japanese makers probably intend to keep it that way—which means that for the forseeable future the OEM system will serve as a means for consolidating Japan's supremacy in world trade rather than for giving outsiders a foothold in Japan.

MEN AND MATTERS

Keeping up market share

The Labour Party's band of pro-Europeans continues to dwindle. With half its long-time leaders already gone to the Social Democrats, the Labour Committee for Europe itself is about to split.

"Inevitable perhaps . . . but a bit disconcerting," says secretary Peter Stephenson of the move in which slightly more than half his 400 active members will leave to set up a new body to be called European Left.

After the defection of president Roy Jenkins and other officers, members of the LCE were polled to decide whether the organisation should remain a branch of the Labour Party or widen its membership to the Social Democrats and others on the political Left.

"Opinion was almost equally divided on the issue," says Stephenson, "and, after some confusion, it was decided this would be the best way to resolve the situation."

Stephenson intends to remain with the Labour Committee. "Some would like to be members of both organisations," he says, "but it is clear that European policy will be a major election issue and dual membership will not really be practical politics."

Head start

As Newmarket limbers up for the racing season's first Classics next week, over in France a Franco-British partnership has its eyes on a slightly more distant prize. Alec Head, who has trained for two generations of Aga Khans, is working with French breeder Roland de Chambure to groom the horse which they hope will win October's Arc de Triomphe, a prize recently upped to £180,000.

Their joint venture, Ecurie Aland, bred Detroit, which won last year's Arc race for owner Robert Sangster. "We hope to follow that act this year," says de Chambure from the 550-acre Normandy stud where Ecurie Aland is based. While it is too early yet for the team to select its runner, four or five horses will be put on the short list by the end of September.

Head's own equine pedigree is as impressive as that of a racehorse. His father, William Head, rode in a Grand National while his mother was the sister of another turn-of-the-century jockey, Jack Jennings, who went to France to ride for the Henneseys. Hardly surprising that his son, Freddie, has also proved one of France's foremost riders.

Sunny climes

Falling circulations seem to be intensifying the rivalry at the popular end of Fleet Street. A threat of legal action by the Daily Express has now disrupted the timetable for editorial changes at The Sun.

Kelvin McKenzie, night editor of the Express, was to have moved to The Sun this week as acting editor following the recent announcement that Sir Albert (Larry) Lamb, responsible for the top-selling national daily's development under Rupert Murdoch, is to take six months' sabbatical leave.

But solicitors for Express Newspapers told The Sun's publisher News International that they would seek an injunction if necessary to stop him moving.

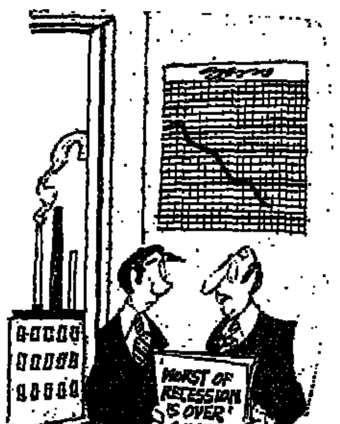
Jocelyn Stevens, Express Newspapers' managing director, explained yesterday: "Mr. McKenzie is on a three-month contract to us as night editor and we have said we want him to work out that contract."

After assurances that there would be no change in the position until tomorrow at least, it had been decided not to apply for an injunction, he said.

Bruce Matthews, managing director of The Sun, confirmed that there had been an exchange of letters between solicitors. As a result, McKenzie, who was night editor of The Sun before he joined the Express, would be continuing to report for work at the Express.

The Express switchboard was having difficulty keeping abreast of the news last night. "McKenzie has left us," I was told. "He has been taken off our list."

But the 34-year-old McKenzie, whose talents are so much in demand, was helping to produce today's Daily Express. "I can make no comment on my position," he said.



"It would have sounded better if she hadn't been wearing black and a veil at the time"

Team change

Chelsea Football Club's chief executive Martin Spencer, who recently paid £175,000 for Swindon Town's Alan Mayes, is back in the transfer market again. But the only sporting achievement to which his latest signing, Adrian Rapazzini, can lay claim is a place in the final of a City table tennis tournament.

Rapazzini moves from his post as corporate finance manager at P. S. Refson, the City-based specialists in international trade finance, to strengthen Spencer's insolvency division at accountants Casson Beckman.

"The 80's are going to be a period of dramatic change," says Spencer. "There are going to be lots of failures because of changing technology. There is going to be a great deal of work in the insolvency field in reconstruction and rationalisation."

Spencer tells me: "we don't just want to go into a company and put locks on the door. We want to see if we can turn it round." Which is why he is still with Chelsea FC.

He was called into the football club in 1976 as a partner in accountants Stoy Hayward—where Rapazzini was also once a member of the team—when Chelsea was in dire financial trouble. In the past three years as chief executive, Spencer has cut the club's liabilities from £4m to £1.5m. "We've a long way to go yet, but at least we're moving in the right direction," he says.

Proper name

A fit of propriety seems to have overcome the organisers of the "First International Tax Havens Fair" which, I mentioned a few days ago, is to be held in London next month. In the promotional leaflets now being sent to professional advisers, the event is more delicately styled "The First World Offshore Financial Centres Fair."

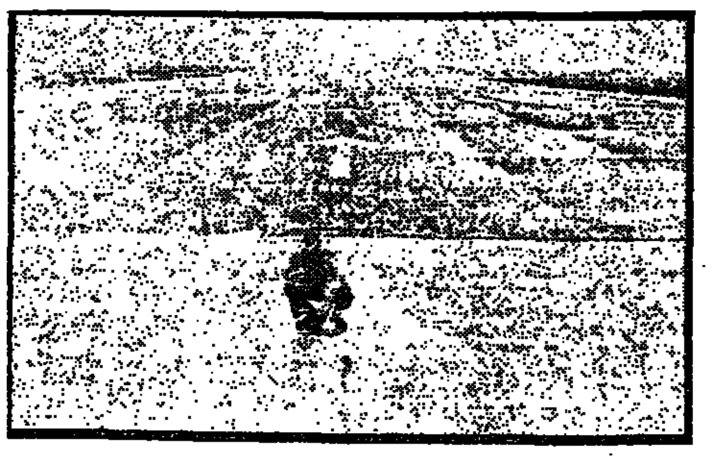
Sui generis

"The senior partner is a self-made man — which relieves the good Lord of a terrible responsibility."

هكذا من الأصل

Philip Bassett reports on the increasingly bitter nature of the Civil Service dispute and the calls for more widespread action

The long wait for one side to crack



Days of silence and discord at Heathrow Airport—two contrasting results of the civil servants strike action

THE GOVERNMENT and the civil service unions have now been locked in an increasingly bitter pay dispute for nearly seven weeks. But it is by no means clear who is winning.

On the one hand the government has refused to increase its present offer of 7 per cent, and seems in no hurry to produce details of a new system for settling civil service pay. On the other the unions yesterday publicly reaffirmed their present strike strategy, although, in private, there are divisions about the progress of their campaign—the first nationally co-ordinated strike by all nine Civil Service unions in Britain's history.

Both sides started from shaky positions. The Government, stressing the need to hold down public sector pay rises, unilaterally broke the agreement which provides the Civil Service's 25-year-old system of pay determination based on "fair" comparisons with outside work.

Some union members want an all-out effort, a big push

Neither the Government nor some of the largest unions had been happy with the Pay Research comparability system for some time—the Government because it saw it, like the now-abolished Clegg Commission on pay comparability, as an engine of inflation, and the unions concerned because the system was no longer providing attractive enough increases for their members.

However, as union leaders have argued consistently since the Government suspended the agreement back in October, the agreement provided for six months' notice to be given by either side. A new system could then have been negotiated. Instead, the Government took unilateral action.

The Council of Civil Service Unions meanwhile went into its campaign of selective strikes and other disruptive action only too well aware that civil servants enjoyed perhaps the lowest level of public sympathy of any wage bargaining group.

The charge against them is that at a time when few workers have not been touched by an economic recession, they enjoy a privileged status. They insist that their pay increases should match those of outside industry, but they are protected from the cuts in employment which have ravaged both the rest of the public and the private sectors alike.

Inflation is attacking the superannuation benefits of most employees: yet civil servants, like many other public sector workers, enjoy index-linked pensions which are proof against its effects.

General secretaries and other senior officials of the nine unions involved met yesterday for their own review of the campaign's progress. The Council "reaffirmed its total commitment to the existing strategy and objectives."

However, partly because of the criticism levelled at the unions, and partly because of the Government's refusal to move, there are divisions among union leaders about the campaign's progress. Some are for maintaining the present course; others, mindful of the lack of official response, urge more concerted action to resolve the dispute.

Veterans of selective strikes in the Civil Service two years ago have argued since the present campaign began that if selective strikes were to be adopted as the main weapon, this year, then the unions would have to beprepared for a fight of at least 12 weeks—a severe test of inexperienced unions' and members' abilities to keep their nerve.

Some officials agreed this week that there was now something close to panic in some parts of the union camp, as reports increased of mounting pressure to take more widespread action—a week-long or all-out strike, stoppages by air traffic control staff, or in sensitive areas of the departments of Employment, and Health and Social Security.

There are some union members who are tired of being pulled out, sent back in, and then pulled out again. They argue that there should be an all-out effort, a big push which will secure their aims. But *some officials are more cautious.*

They point to air traffic strikes abroad, which failed to be decisive for the employees involed. And they note that this Government has already withstood lengthy action by the prison officers, long considered to be among the most effective troops in the civil service unions' ranks. Large numbers of staff would have to be brought out on strike to have a real impact on benefit payments. Both they and the public would find this distasteful.

And, they add, there is the question of what happens if the big guns are fired and nothing happens. Do they then acknowledge that they have shot their bolts, accept what looks like inevitable and just return to work?

So, given the difficulties faced by both sides, and yet the staying tactics also adopted, what are the prospects for a settlement?

- The Government could yield, probably making only a relatively small increase in this year's offer (perhaps as little as 2 or 3 per cent), but promising a new system which concedes some of the unions' demands, such as some comparability, independent fact-finding, and access to arbitration. But this would be politically damaging and could set a bad precedent for other bargaining groups waiting to see how the civil servants fare.
- The unions could give in. For some militant leaders, this would be a serious defeat and one from which it might be impossible to recover for a long time.
- A compromise could be reached, possibly offering nothing further for this year, but offering negotiations for the 1982 deal and then talks on a system for the future after that. This would fail to satisfy some of those in the Cabinet who believe civil servants already enjoy far too many special privileges. And it would probably still be regarded by *rank-and-file union militants as* a failure.
- There could be a Government inquiry, broadly along the lines of the Priestley Royal Commission in the mid-1950s which drew up the old pay system for the Service. Cabinet "wets" have sympathy with this as a solution.

So far the Government's major tactic has been to try as *far as* possible to ignore the strikes. The Civil Service Department has publicly disagreed with the unions on the numbers taking part in the one and a-half-day stoppages, but has held back from making detailed rebuttals of the range of union claims, which one CSD official described as "ludicrous."

The Treasury has acknowledged that the unions' figures about the amount of revenue being stopped by VAT and tax computer strikes have beeen broadly correct and that the strikes have had an effect on central Government borrowing. In their rare statements on the *effects, Ministers have tried to* present the figures in as favourable a way as possible to the Government, but with mixed success.

Broadly, though, the Government has maintained its position. Before the strikes began, it increased its first offer of 6 per cent by a single percentage point to try to head them off, but since then it has made no move.

The studied indifference of the Government can also be seen as an indication that it does not know what to do next. The political judgement is still the same as it was at the start. But some ministers have begun to wonder about the cumulative effects of the strike.

For the Government has been confronted with a new type of strike action. When the steel workers came out on strike on January 2 last year, for example, they came out en bloc, stayed out en bloc and went back to work en bloc 13 weeks later.

The civil service unions' strategy could hardly be more different. Instead of simply going out of the gates and staying there, many of those taken out on selective strike—except for those at key defence and revenue-collecting computer centres—have been sent back into work by the unions after as little as a week or so.

This tactic has left the unions open to the criticism that they have not enough membership *support to mount an all-out* strike. But the unions argue that a total stoppage would merely drain their resources without necessarily denting the Government's resolve.

Inevitably, as the strikes wear on and tempers become more frayed, there have been errors of judgment on the unions' part—of which the action at ports and airports over Easter will probably come to be seen as one.

There were union leaders who counselled against the action. It took place, though, with the result that public sympathy for the unions' case was alienated still further. However, the action was considerably less effective than the unions had hoped, so they lost out twice: having distanced the public again, they then failed to apply effectively the pressure which the *action was presumably* designed to deliver.

If it is still not clear who is winning, what is clear, and what both sides recognise, is that the dispute has changed for ever the nature of the Civil Service. Staff have gone on strike in areas where such action was considered unthinkable: in defence bases, in secret Government signals monitoring establishments, even in the Inland Revenue.

For many strikers, anything less than the full 15 per cent of the union's claim will be a defeat. Senior officials, many of whom recognise privately that neither 15 per cent nor anything like it this year is on, acknowledge that many strikers face severe disillusionment after the end of the dispute, though this may oddly enough have the effect of guaranteeing against future militancy in the Civil Service in the immediate future.

The Civil Service will never be the same again

In some respects the pattern is all too familiar. The longer it goes on, the more expectations will be raised, and the *more difficult it will be to get* a settlement. And the ending will no doubt be familiar: As one union general secretary put it, "it's still the old story; one side has got to crack."

Letters to the Editor

Civil service strike

From Mr. H. Mainz

Sir,—Government Ministers claim to achieve collection of the bulk of revenue due in spite of industrial action by civil servants. In order to mitigate further the shortfall of income the Government refuses to authorise the repayment of VAT due on goods exported from this country. Just as it has been possible to circumvent strike action in respect of receipts—payments direct to the Bank of England — similar expedients could undoubtedly be found to permit the discharge of liabilities.

This is very doubtful morality; moreover it is bad business.

After two months of strike action this small company is owed a sum approaching £100,000 for VAT paid out on goods subsequently exported. As we cannot continue to accumulate for the present worthless Government debt and have a desire to stay in business we are looking for alternative sources of supply abroad with which to satisfy our overseas customers.

As we have never been able to obtain reimbursement of interest when on a previous occasion strike action prevented repayment of VAT, we may this time decide to remain international traders rather than exporters of UK manufactures.

H. Mainz,
Mainz and Co.,
Arndale House,
Charles Street,
Bradford

Multi-racial society

From Mr. D. Dean,

Sir, — The penultimate sentence in your leader of April 13 says: "We are a multi-racial society. . . ." I suggest that the white majority of this country *does not ignore the consequences* so much as reject the premise of your statement.

When the non-white elements of our society accept the political tenet of "When in Rome do as Rome does" then we may be a small step nearer a multi-racial society. That small step is not in evidence, and therefore it will continue to be necessary to provide saturation police presence in certain areas to contain unacceptable crime levels.

Before the sociological arguments are trotted out, is it not pertinent to ask whether it is either democratic or political to ask and expect the majority to *give permanent superior* aid to a minority which cannot or will not accept the majority mores?

Governments and people have not been blameless for the present sorry state (despite previous clear warnings), but no good will be served by insisting on the fiction of a "multi-racial" society. Divisions are not healed by pious *declamations.*

D. W. Dean.
11a, Sycamore Avenue,
Garstang, Lancs.

Busy lines in the City

From the Director,
London Region British Telecom.

Sir,—Your report "City to encourage data systems" (April 15) states that recession has cut demand in the City of London for British Telecom services. This is not so.

City telephone area is currently handling an average of 2,500 orders a week which is well above the figures for last year. Our forecasts show, also, that by January, 1982, this demand will increase by a further 500 orders a week. As you are aware, any extreme in economic climates (whether recession or boom) creates additional work within the City's financial centres; add to this the renewed influx of *foreign banks to the City and* projects such as the international petroleum market and the financial futures market and the increase in demand for our services becomes obvious.

We are glad to have coped with this additional demand and to have made substantial inroads in clearing the backlog of work and improved our provisioning times and performance generally in the City of London.

A. J. Booth.
Camelford House,
87, Albert Embankment, SE1.

Pedants of the world unite!

From Mr. D. Goacher

Sir,—Of course it was clear what Mr. Ackroyd meant. Mr. A. J. Harvey Wood (March 30) *must surely* know that the term "extrovert" was extrapolated from "introvert" by psychiatrists contemptuous of Latin. Similarly the pronunciation "skitsophrenic" was foisted on us by psycho-analysts ignorant of the German articulation of Greek: otherwise we would say "skyzophrenic."

"Extravert" is indeed rare but the Shorter Oxford Dictionary should not encourage the largely Latinless populations in slovenly usage. Pedants of the world unite!

Denis Goacher.
Poste Restante, Poros,
Trizinia, Greece.

Electoral reform

From Mr. D. Pyott

Sir,—Your correspondent S. G. G. Rankin (April 7) very properly warns that proportional representation by *itself* offers no guarantee that it will produce government with a less marked tendency than those of recent years to undermine the market economy.

Nevertheless, because PR produces parliamentary representation which reflects more accurately the total spectrum of political opinion among the electorate, there are three things which may be said in its favour. The individual will, by having wider choice and by exercising it, feel that his decision is more effectual, which indeed it would be, and his awareness of the parallel, if not *the* identity, between electoral choices and market choices would be heightened. This would be a good effect not only in itself, but also help create the market-conscious climate which your correspondent so correctly feels it is important to bring back from oblivion. At the same time it might follow that political *thought* and expression in a wider variety would begin to flourish (supply-side economics applies to the production not only of goods and services but also ideas). Because of the numbers of different shades of opinion which would be represented in Parliament, it would be more difficult for a single group to obtain the requisite majority for passing into law of any given idea, so that the number of *Acts of Parliament* calculated to screw up the economy would fall off dramatically. Proposals for legislation would require to be much more carefully thought out and presented, and as a result principle might make a comeback.

The second effect would undoubtedly be directly beneficial in that it would put a brake on the ability of Parliament to throw spanners into the works. There is an initial difficulty however. Ninety per cent, perhaps, of the statute book, as it stands, is of the spanner-in-the-works variety. Most of that 90 per cent is permanent in that it requires a positive act to effect its repeal. The only major relevant exception is the imposition of income tax which lapses unless there is an annual positive vote. Therefore if the object of proportional representation is to ensure that the law represents the wishes of the *people, it will be necessary that* the introduction of PR be accompanied by an Act of Parliament putting an expiry date on all statutes, so that after that expiry date we can be sure that statutes in force will be only those which have received a positive vote.

I doubt whether Parliament is yet ready to take these radical steps. While Mr. Rankin and the undersigned may be willing to trust the people, the signs have been that most politicians we can think of in the British context are not. The natural result is that eventually the people will be less and less *willing to trust* the politicians.

David Pyott.
1609 Connaught Centre,
1, Connaught Place,
Hong Kong.

Flying the flag

From the Chief Executive
Feenix Farming

Sir,—It is with regret that one has to agree with Mr. W. Jaspert (April 13) that British Airways is apparently working as hard as possible to alienate as large a sector of the flying *public as possible.*

The number of letters that one has to write to any division of BA to even obtain a brief acknowledgement is, in my opinion, unique. Having written to enough people to elucidate a reply then one is deluged by phone calls with each BA representative giving totally contradictory *advice.*

Being a fervent believer in "Buying British" whenever possible I have persevered with BA until recently. In December I flew from Perth, Australia, in BA (so-called) club class. What a total fiasco. The same cramped seats, the same poor food, the same squalling children *(16 in the club class* cabin) as in economy. On talking to some of the unfortunate parents they did not know that they were travelling in the supposed luxurious secluded comfort of BA club class—all had paid economy rates.

This month I travelled to Australia and back by Qantas club. What a magnificent performance. Travelling in the (18 seat) upper deck of a Jumbo, sharing one steward (and one loo), no hustle, no rush—it has to be the way to travel for those of us who cannot yet afford our own executive jet.

When though is BA going to realise that businessmen need this type of service and comfort and that this is what it must provide if it really wants to attract more business people on to its aircraft more than once.

Anthony Rosen,
Feenix Farming.
Moor Hatches,
West Amesbury,
Salisbury, Wiltshire

South of the Ebro

From Mr. D. Davies

Sir, — Robert Graham, in reporting "Why the Basques are at war with Madrid" (April 15), seems to have made a departure from his norm of level-headed reporting of Spanish affairs, which were especially well reported during recent events here.

I refer not to the facts which he reports, a matter in which he is more able than many, but rather to the introductory paragraphs, which to several of my *politically moderate Spanish* colleagues seem little short of misrepresentation.

Is the Basque country really like the Palestinian west bank? Or is the comparison spiritual in that so many Civil Guards personally have crossed their Jordan in that region? "South of the Ebro," reported Robert Graham, "they are all Moors." Be that as it may, but a Spaniard, presumably neither extreme nor perhaps Basque, yet well educated in colloquial English might remark that foreigners begin north of Watford.

D. P. Davies.
Calle de Bolivia 15-11-A,
Madrid 16, Spain.

U.S.-Arab trade

From Lord Byers

Sir,—The Anti-Boycott Committee, which seeks to combat the totally unethical Arab trade boycott against Israel, has in the past drawn the attention of your readers to the fact that anti-boycott legislation in the United States has not resulted in any diminution of trade with the Arab world. Sets of figures have been published suggesting the contrary, namely that American trade has suffered because of the firm stand taken by Washington against the boycott. It would be as well, therefore, that the true facts and figures should be known.

U.S. Department of Commerce figures show that U.S. exports to the Arab world (17 countries in all), rose from a value of \$10.9bn in 1979 to \$13.27bn in 1980, or by nearly 22 per cent. The 1980 increase over 1978, when American anti-boycott legislation was beginning to bite, was nearly 44 per cent. These figures exclude weapon sales.

During the two year period, 1978-80, U.S. imports from the *Arab world almost doubled* (the increase was from \$15.64bn to \$29.25bn. These official figures show very plainly that U.S. trade with the Arab world has not suffered as a result of U.S. anti-boycott legislation. These facts should be noted by the British Cabinet and our industrial and commercial community, and should prompt a re-think of policies which permit Arab interference in Britain's freedom to trade and way of life.

Byers.
House of Lords SW1.

Today's Events

GENERAL

UK: Banking, Insurance and Finance Union members on one-day strike at selected branches and cash centres of the five clearing banks.

Confederation of Shipbuilding and Engineering Unions shipbuilding negotiating committee meets in Glasgow to discuss *industrial action over pay claim.*

Institution of Mechanical Engineers annual meeting, SW1.

Confederation of Health Service Employees finance and organisation committee meets, Banstead.

National Association of Schoolmasters/Union of Women Teachers conference continues, Brighton (to April 24).

International Showjumping Championships open, National Exhibition Centre, Birmingham (to April 26).

International Fire, Security *and Safety Exhibition* and Conference continues, Olympia (to April 24).

National Model Railway Exhibition continues, Central Hall, Westminster (to April 25).

Overseas: Mrs. Margaret Thatcher visits Dubai and Oman.

Mr. Calvo Sotelo, Spanish Prime Minister, starts two-day visit to West Germany.

Dr. Robert Runcie, Archbishop of Canterbury, begins visit to U.S.

International Spring Fair opens, Zagreb (to April 28).

Institut de Recherche Interbancaire international seminar on banks and computers opens, Paris (to April 24).

OFFICIAL STATISTICS

Department of Trade publishes March provisional figures for retail sales.

COMPANY MEETINGS

Anglia Television, Anglia House, Norwich, 2.30. Cluff Oil, Institute of Directors, Pall Mall, SW, 10.30. Friedland Doggart, Midland Hotel, Manchester, 12. International Investment Trust, Winchester House, 77, London Wall, EC, 12.30. Schroders, 120, Cheapside, EC, 12.15.

COMPANY RESULTS

Final dividends: William Baird. Biddle Holdings. George M. Callender. Danish Bacon. Delta Group. Elbar Industrial. E. Fogarty. Harris Queensway Group. Lilleshall. John Menzies Holdings. Websters Group. Wilson (Connolly) Holdings.

Interim dividends: James Halstead Holdings. North British Properties.

W. H. Smith falls £3m to £16m

SHARPLY INCREASED losses by the book distribution and publishing division have resulted in profits of **W. H. Smith and Son (Holdings)** falling at the pre-tax level from £19.08m to £16.13m for the year to end-January, 1981, on sales up by more than £100m to £681.12m, compared with £570.85m.

After eight months' earnings of this newsagent and stationer were down from £2.99m to £817,000.

The dividend on the 50p A shares, however, is being stepped up from 4.2p to 4.6p net with an increased final of 3.2p (2.8p). A final of not less than last time's rate had been predicted.

The surplus was struck after interest charges, up from £2.12m to £2.75m, and other charges but was subject to tax of £5.72m (£4.93). Stated earnings per share emerged at 12.3p, compared with 16.7p.

After an extraordinary loss of £999,000 (nil), being the write-off of closure costs together with those related to Craftsmith, the attributable balance came through at £9.41m (£14.15m).

On a CCA basis the taxable profit is reduced from £15.63m to £12.56m.

A breakdown of turnover and trading profits shows: retailing (newsagents, booksellers and stationers) £371.47m (£312.81m) and £19.25m (£18.53m): do-it-yourself £19.81m (£14.84m) and £27,000 (£1.09m); newspaper and book wholesaling £292.06m (£247.06m) and £5.58m (£2.32m); book distribution and publishing £22.38m (£17.98m) and £6.52m loss (£1.22m loss); and advertising contracting £6.69m (£5.45m) and £543,000 (£455,000).

Duplicated turnover amounted to £31.28m (£27.29m).

Commenting on the results, Mr. P. W. Bennett, the chairman, says the two businesses trading as book distributors and publishers, one in the UK and the other in the U.S., both suffered considerable losses. A common factor in both results was the decision, in the light of trading experience, to adopt a more stringent valuation for books in stock, which accounts for about half of the loss. The chairman says the remaining trading loss *is unacceptable*, but cannot be eliminated at once.

The principal activities, retailing and wholesaling, produced good results in the prevailing circumstances of deepening recession. However, the significant losses incurred in book distribution and publishing have to be set off against these profits. Both at home and abroad profits stood up remarkably well in the retailing of the company's traditional products. The chairman says to have achieved this is encouraging, especially in the UK where the recession hit hardest, causing severe price competition.

W. H. Smith Do it All, which trades in the d-i-y home improvement market, had a year of intense activity. Improving and creating operating systems *and controls, refurbishing existing* sales units and adding eight new ones in much tougher trading conditions than expected, resulted in only a small profit. However, this division is now of sufficient size and strength to *begin to fulfil its role as a growing force*, Mr. Bennett adds.

The wholesale operation increased its profits. Benefits of the rationalisation in the distribution system, together with a reduction at the publishing level in the disruption of supplies and non-publication of titles were favourable factors. Book wholesaling made a similar loss to last year while its scale of operation was *significantly* reduced through the year.

See Lex, Back Page

HIGHLIGHTS

Lex looks at the full year figures from **W. H. Smith** which show pre-tax profits down from £19m to £16m after large stock write-downs but the dividend is up 10 per cent. Also on the retailing front Lex considers the latest figures from **Currys** which has managed to push profits marginally higher though current trading is less buoyant. **British Aerospace's** figures are fairly much as predicted in the prospectus of two months ago. Finally Lex looks at the current trend for takeovers of U.S. *stockbroking firms by big financial institutions.* On the inside pages **Tozer Kemsley's** figures show a major *slump in profits and the shares reacted with an 8p fall to 55p.*

TKM falls to £5.52m and cuts payment

WITH second-half pre-tax profit down from £9.04m to £941,000 **Tozer Kemsley and Millbourn (Holdings)** finished 1980 with a taxable surplus £10.5m lower at £5.52m. *Turnover for the year* increased from £1.11bn to £1.35bn.

A final dividend of 0.795p (3.18p) net per 20p share has been recommended making a total of 2.385p (4.77p).

Mr. K. A. C. Thorogood, chairman, commenting on the results says this level of dividend has been recommended to take account of extraordinary losses of £3.09m (nil) relating mainly to terminal costs on closures of businesses which are deemed to have doubtful recovery prospects because of the recession.

He goes on: "Last year I was looking ahead to vastly better results for 1980 than I now report. But the depression in the UK has bitten deeper than could be foreseen a year ago, and this, together with high interest rates has given rise to severe losses in some of our industrial ventures.

"Our future success depends very much upon how we tackle present problems."

He says Wadham Stringer has already improved as a result of drastic restructuring. All car dealerships are now in profit but recovery in the commercial vehicle field will occur when the national economy improves.

TKM Foods has been merged with the fruit and vegetable canning interests of Imperial Foods which should prove a strong combination he adds. However, McKee, the agricultural equipment and snow-blower producer in Canada, shows no significant signs of recovery during current conditions.

In contrast, he says, TKM's traditional activities stood up well to difficult international conditions. The finance of inter*national trade together with* TKM's international trading activities in Spicer-Firgos have produced considerably improved results as did its pulp and paper business and travel activities.

"Although results of these traditional activities will vary from year to year, I believe they will continue to contribute solidly over the years," he concludes.

Tax for the year took £1.82m (£6.14m) and minority interests came out at £504,000 (£643,000). The amount attributable before the £3.09m extraordinary item emerged at £3.19m (£9.23m). The stated earnings per share, also before the extraordinary item were 5.9p per share (18.1p).

On a current cost basis pre-tax profit came out at £2.02m (£12.21m). TKM is engaged in international trading, finance and investment.

● comment

Tozer Kemsley and Millbourn's *traditional* businesses did well last year but their progress was concealed by the appalling £5m loss, including financing charges, at Wadham Stringer, which was acquired in November, 1979 for *£25.6m. The foods division also* remained in loss. The McKee subsidiary that manufactures snow blowers and hay bailers in Canada lost more than C$1m. TKM believes the "drastic restructuring" at Wadham will *produce a turnaround this year* and the proposed merger of the food business with Smedley-HP should end the problems there, leaving only McKee for further likely surgery. The CCA statement shows interest charges—*excluding those in the financing* business—have nearly trebled and the balance sheet, when it appears, is unlikely to make pleasant reading. All this is a long way from the chairman's hopes of maintained profits in *1980 despite the loss of the BMW* franchise. The shares fell 8p to 55p where the fully taxed p/e is 13.5 and the yield on the halved dividend is 6.3 per cent.

Royal Insurance changes strategy

A NEW strategy aimed at achieving greater real growth is being adopted by **Royal Insurance**. This follows a study of the company's policy, applied *through the 1970s, of laying* prime importance in the underwriting result itself.

Mr. D. Meinertzhagen, the chairman, says that this has led, in some areas, to a decline in market share and consequent pressure on expense ratios. *In* worldwide terms the group's market share had slipped from 1.6 per cent to 1.4 per cent over the decade.

"The new emphasis on growth arises because we believe it is now right to take steps to arrest and, in certain areas, to reverse this decline," the chairman explains in his annual statement.

Royal anticipates that good opportunities for profitable expansion will occur during 1982 *and 1983. The improvement will* come as worsening results force certain weaker insurers and reinsurers to restrict their activities and the world economies recover.

Meanwhile the difficult trading *conditions seen last year in* many of the company's territories are expected to continue during 1981 and, in some instances, into 1982.

The £116m raised through the December rights issue has put the company *in a strong position* to take advantage of opportunities: "Our aim is to achieve our targets mainly through organic growth. However in some areas it is probable that organic growth may not be the most economic and *timely* means of achieving our objectives; in such cases we will consider selective acquisitions," Mr. Meinertzhagen says.

The proceeds of the rights issue are currently invested in *high yielding* short and medium term gilts.

At present the group is being restructured so that its seven general *insurance profit centres* and the life insurance profit centre will all be in the form of separate companies having the same relationship to the holding company.

As reported March 3, Royal's 1980 taxable profit dipped to £122m (£131m) after under*writing loss up from £16.5m to* £40.3m. The net dividend is raised 11.6 per cent to 24p.

At year-end shareholders' funds stood at £639m (£557m), general insurance funds were unchanged at £1.49bn and long-*term insurance funds* were £1.15bn (£990m). Investments amounted to £1.71bn (£1.65bn) of which £168m (£131m) was in gilts; £308m (£319m) in overseas government securities; £438m (£505m) in debentures; £536m (£438m) in equities and £162m (£144m) in property.

Long-term insurance assets amounted to £1.18bn (£1.01bn) and cash and deposits were little changed at £102m (£101m).

Meeting, Liverpool, May 14 at noon.

SPAIN

April 21	Price %	+ or −
Banco Bilbao	304	+5
Banco Central	346	+3
Banco Exterior	289	+1
Banco Hispano	296	+5
Banco Ind. Cat.	124	
Banco Santander	341	
Banco Urquijo	181	
Banco Vizcaya	316	
Banco Zaragoza	214	
Dragados	138	
Espanola Zinc	75	
Fecsa	59.5	+0.8
Gal. Preciados	28	
Hidrola	65.2	+0.5
Iberduero	57	−0.5
Petroleos	94.7	+0.5
Petroliber	88	
Sogefisa	85	
Telefonica	60.7	+0.5
Union Elect.	64.7	+0.2

BOWRING SALE

C. T. Bowring, the insurance broker—taken over by Marsh and McLennan, the world's largest insurance broker—is selling its steamship operating company.

Three 1970s-built bulk carriers, *with an estimated market value* of about $40m are to be put onto the market.

Discussions with a possible purchaser are likely to start in the near future.

Bowring intends to retain its research ship, Benjamin Bowring, estimated to be worth around £750,000, which is being used for the Transglobe expedition. The trip is sponsored by several companies including Bowring.

Downturn in train for Royal Worcester

SUBSTANTIALLY LOWER first *half profits are forecast for* **Royal Worcester**, Lord Nelson of Stafford, chairman, says in his annual review.

He says there are some signs that the bottom point of the recession may have been reached, and the period of de-stocking may be coming to an end. *The continuing effect of* falling orders in the second half *of 1980 is being reflected in* the current levels of trading, however. He adds that any upturn in trade is unlikely to arise before the second half of 1981.

Incoming orders showed an improvement during the last quarter of last year and the early part of the current period, but *Lord Nelson* says it is too early to say if this trend will continue.

"The business has undoubted growth potential and we are continuing to back this with capital investment," he states — last January 53 per cent of Resolute Electronics was acquired, the products of which complement the group's range of precision resistors.

As reported on April 9, taxable profits of this china and electronics concern fell from *£3.6m to £3.17m but the dividend* is maintained at 8.6p net per share — first-half profits were £1.5m (£1.44m).

The balance sheet shows shareholders' funds of £18.51m (£16.36m)), bank loans and over*drafts £1.72m (£2.28m), and cash* of £754,000 (£1.13m).

Meeting, Brown's Hotel, Dover Street, W, on May 13, at noon.

Crest Intnl. moves ahead at nine months

Pre-tax profits of Crest International Securities, investment holding company, rose to £27,526 in the nine months to December 31, 1980, against £11,714 for the previous year. Income was £111,542 (£42,080 for year) and *this included pre-acquisition* income of £71,593.

There was a deduction of pre-acquisition profits this time of subsidiaries acquired on February 13, 1981, amounting to £11,632. After deducting extraordinary *items of* £21,689 (£17,891), there was a net loss of £5,795 (£6,177), and stated earnings per 10p share are 0.49p (0.36p). No dividend is being paid at this stage, but it is the intention of the directors to pro*pose a dividend for the current* year.

Figures cover a period preceding the recent acquisitions and issues made on February 13, 1981.

Sharp decline in Callender share price

Shares in George M. Callender collapsed yesterday to 48p when trading was restored after an *announcement that talks with a* possible suitor had foundered. When the shares were suspended on April 15 they had reached a peak of 64p.

Callender's preliminary results for the year will be announced *today. After a highly successful* first half the board warned that economic conditions might have an adverse effect on the second. Last year's profits before tax amounted to £926,000.

NAME CHANGE

A. A. Jones and Shipman proposes to change the name of the company to Jones and Shipman.

T. W. RILEY IN RECEIVERSHIP

T. W. Riley (Rochdale), an *established* company that specialises in textile machinery went into receivership on April 8. The company employs around 40 and the receiver, Robert Tilley of Arthur Andersen and Co., Manchester, is exploring the possibility that the business can be sold as a going concern.

SHARE STAKES

British Electric Traction Company.—C. S. Wills, director of Rediffusion Television—ultimate holding company of which is BET—has sold 90,500 BET deferred ordinary shares at 137p. *He is also a director of* Humphries Holding and Rediffusion Ltd., fellow subsidiaries of BET.

Currys ahead to £12.3m after second-half pick up

WITH SECOND-HALF taxable profits showing an increase from £7.33m to £7.79m, Currys, electrical appliance retailer, has recovered the ground lost at midway to finish the year to January 28, 1981, ahead at £12.28m, against £11.9m previously. Turnover for the 12 months rose almost £40m to £261.17m.

Year-end trading profits, however, dropped slightly from *£9.53m to £9.47m. The increase* at the pre-tax level reflected a rise in net interest receivable to £2.61m (£1.88m), offset partly by a lower surplus of £194,000 (£488,000) on sale of properties.

Owing to higher capital allowances on rental assets, tax charge was reduced to £2m (£2.58m) giving *an available surplus of* £10.27m, compared with £9.32m. Based on the difference between profits on an historical cost basis and on a current cost basis, there was a transfer to current cost reserve of £3.15m (£5.81m).

The final dividend is raised from 6.3p to 7.5p net, making a *total for the year of 9p (7.5p) per* 25p share, absorbing £2.1m (£1.75m).

A one-for-one scrip issue is also proposed. This arises from the board's feeling that the size of the general reserve—£32.7m—*together with the current cost* reserve—£26.6m—now excessively outweighs the issued share capital of £6.5m.

Credit trading balances comprise £19.26m (£17.72m) after the provision for unmatured *profit*. Total provision carried forward is £11.56m (£10.72m) resulting in a charge of £835,000 (£911,000) against the year's profits.

Cost of staff pension schemes rose sharply, from £1.3m to £2.07m. *A substantial additional* payment of £600,000 has been made into the pension fund for the benefit of those in the group's pre-1978 arrangements. The board says this old scheme is not a final salary scheme and, therefore, does not adequately take into account effects of recent inflation.

Depreciation charge rose from £2.4m to £3.2m for the year.

See Lex, Back Page

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
A. Arenson	int.	0.52	Aug. 3	0.52	—	1.93
Barton & Sons		1	—	2*	2.4	3.27*
Boustead		0.75	—	0.83*	1.25	1.25*
Concorde Rotaflex		—	—	—	0.1	0.52
Currys		7.5	—	6.3	9	7.5
Edith		1.5	—	1.36*	2.3	2.09*
Walter Lawrence		5	July 2	3.5	7.5	10.5‡
W. H. Smith		3.2	July 6	2.8	4.6	4.2
G. W. Sparrow		1.12	—	1.2*	2	2*
TKM		0.8	June 11	3.18	2.39	4.77
Arthur Wood		1	May 27	1	1	1
York Trailer		—	—	0.6	—	1.97
Anchor Chemical		—	—	2.92	2.38	5.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months.

BAe on target at near £53m

INLINE WITH its forecast of £52m, made at the time of the offer for sale, taxable profits of the **British Aerospace** group came out at £52.8m for 1980, *against £50.3m, and are struck* after launching costs up from £39.1m to £54.4m.

Sales of this aircraft and dynamics concern moved ahead nearly £400m from £1.03bn to £1.42bn for the year, and the pre-tax figure included interest received of £14.5m compared *with £11.8m.*

A divisional analysis of turn*over* and trading profits—well up at £92.2m (£77m)—shows: *aircraft group* £972.1m (£644.7m) and £63.1m (£55.1m); dynamics group £405.5m (£343.6m) and £29m (£23.1m); HQ and subsidiaries £45.5m (£39.1m) and *£0.1m (£1.2m loss).*

Pre-tax surplus — greatly reduced to £3.3m *(£24.3m) on a* CCA basis—also included associates' *share* of £0.5m (£0.6m) and was subject to tax, much lower, of £1m against £6.6m.

After an extraordinary credit of £62.7m—balance of deferred tax provision considered no longer necessary—there was a profit amounting to £114.5m (£43.7m). There were £8.1m (£4.9m) distributions relating to *former Government* nivestment leaving the amount retained at £106.4m against £38.8m.

Order book at December 31, totalled £3.5bn (£3.29bn). Launching costs carried forward came to £36.3m (£2.2m) and will *be amortised in accordance with* the company's accounting policy.

See Lex, Back Page

ST. PIRAN.INV./ SOUTH CROFTY

St. Piran Investments has bought 900,000 South Crofty shares, taking its holding and that of its *wholly-owned* subsidiaries to 11.95m shares (64.02 per cent).

M.M.H. INVEST

M.M.H. Investments, a licensed deposit taking institution, has acquired 51 per cent of M.S.L. Multisystems, which trades in computer systems and *software* and carries out bureau *transactions.*

The purchase was made through its subsidiary British Organizers.

STANFORD SPORTS/ LILLYWHITE FROWD

Agreement has been reached for **Stanford Sports** to acquire **Lillywhite Frowd** and its wholly-owned subsidiaries, *Lillywhite* Frowd (Scotland) and Lillywhite Mansfield. *Lillywhite* is engaged in the distribution of sports equipment.

Epicure Holdings—I. Brearley, director, has disposed of 200,000 shares at 29p *leaving holding* 300,000 shares (1.51 per cent).

Ferguson Industrial Holdings—Mr. F. T. Scotto, director, has sold 82,500 shares leaving holding 241,621 shares.

Diploma—On April 8 R. J. M. Pope, director, sold 30,000 shares at 182p.

BASE LENDING RATES

A.B.N. Bank ... 12 %	■ Hambros Bank ... 12 %
Allied Irish Bk. ... 12 %	Heritable & Gen. Trust 12 %
American Express Bk. 12 %	■ Hill Samuel ... §12 %
Amro Bank ... 12 %	*C. Hoare & Co.* ... †12 %
Henry Ansbacher ... 12 %	Hongkong & Shanghai 12 %
AP Bank Ltd. ... 12 %	Keyser Ullmann ... 12 %
■ Arbuthnot Latham ... 12 %	Knowsley & Co. Ltd. ... 14 %
Associates Cap. Corp. ... 12 %	Langris Trust Ltd. ... 12 %
Banco de Bilbao ... 12 %	Lloyds Bank ... 12 %
BCCI ... 12 %	Mallinhall Limited ... 12 %
Bank of Cyprus ... 12 %	Edward Manson & Co. 13 %
Bank of N.S.W. ... 12 %	Midland Bank ... 12 %
Banque Belge Ltd. ... 12 %	■ Samuel Montagu ... 12 %
Banque du Rhone et de la Tamise S.A. ... 12½ %	■ Morgan Grenfell ... 12 %
Barclays Bank ... 12 %	National Westminster 12 %
Beneficial Trust Ltd. ... 13 %	*Norwich General Trust* 12 %
Bremar Holdings Ltd. 13 %	P. S. Refson & Co. ... 12 %
Brit. Bank of Mid. East 12 %	Ryl. Bk. Canada (Ldn.) 12 %
■ Brown Shipley ... 12½ %	Slavenburg's Bank ... 12 %
Canada Perm't Trust ... 13 %	E. S. Schwab ... 13 %
Cayzer Ltd. ... 12 %	Standard Chartered ... ‖12 %
Cedar Holdings ... 12 %	Trade Dev. Bank ... 12 %
■ Charterhouse Japhet ... 12 %	Trustee Savings Bank 12 %
Choulartons ... 12 %	TCB Ltd. ... 12 %
C. E. Coates ... 12 %	United Bank of Kuwait 12 %
Consolidated Credits ... 12 %	Whiteaway Laidlaw ... 12½ %
Co-operative Bank ... *12 %	Williams & Glyn's ... 12 %
Corinthian Secs. ... 12 %	*Wintrust Secs. Ltd.* ... 12 %
The Cyprus Popular Bk. 12 %	Yorkshire Bank ... 12 %
Duncan Lawrie ... 12 %	
Eagil Trust ... 12 %	
E. T. Trust Limited ... 12 %	
First Nat. Fin. Corp. ... 14½ %	
First Nat. Secs. Ltd. ... 14½ %	
Robert Fraser ... 12 %	
Antony Gibbs ... 12 %	
Greyhound Guaranty ... 12 %	
Grindlays Bank ... ‡12 %	
■ Guinness Mahon ... 12 %	

■ *Members of the Accepting Houses Committee.*
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† *7-day deposits on sums of £10,000* and under 9%, up to £50,000 9¾%, and over £50,000 10½%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

CORAL INDEX

Close 562-567 (unchanged)

UK COMPANIES

Arenson cut to £28,000 midway

THE RECESSION and a production fault earlier this year have adversely affected profits of A. Arenson (Holdings), the office furniture and equipment manufacturer. For the six months to end-January, 1981, taxable profits emerged at £28,000, compared with £496,000, on turnover down from £7.26m to £6.18m.

However, the interim dividend is being maintained at 0.52p net—last year a final of 1.41p was paid from pre-tax profits of £1.53m.

Although the group continues to be affected by the recession in almost all parts of its business, it is now trading more profitably—a trend the directors believe will continue.

After tax of £37,000 (same), there was a loss of £9,000, compared with a profit of £459,000, and a stated loss per 10p share of 0.4p (4.2p earnings).

Commenting on the results Mr. Archy Arenson, the chairman, says that in addition to the severe effects of the recession the pre-tax profits would have been some £150,000 higher had it not been for a substantial quantity of faulty filing cabinets which had to be recalled from customers.

The fault was caused by batches of sub-standard raw materials. Although the supplier compensated the group for the direct costs involved, trading was seriously affected. The fault has now been cured and all necessary precautions have been taken to avoid any recurrence of this type of problem.

Order intake for the product has now been restored to previously anticipated levels.

Overseas sales held up well.

The group is currently engaged in a major promotion of its new Spine design seating ranges for office and home use. Plans are also in final form for a newly-developed range of systems office furniture which will be launched in mid-summer.

● comment

Arenson has bucked the general trend of cutting dividends in the face of an earnings collapse and paid an uncovered maintained interim despite the burden of higher taxes. Both its office furniture and domestic furniture divisions have faced falling demand and margins have proved particularly vulnerable due to high fixed overheads associated with its new plant. In addition, work was disrupted by the need to recall faulty filing cabinets which probably reduced turnover by about £1m and profits by around £150,000. The strength of sterling meant that overseas operations produced lower profits after currency translation. Stocks remain relatively high at about £6.5m and the company's net cash position of nearly £400,000 at year-end has been wiped out. Still with virtually no borrowings and signs that domestic destocking is over, earnings for the year could reach around £¾m. At 44p the shares, assuming a maintained final, are on a prospective yield of 6.3 per cent and the prospective earnings multiple is around 15.

Contracting side aids Walter Lawrence

PRE-TAX profit for 1980 of Walter Lawrence—industrial holding company whose subsidiaries are engaged in construction, property development, manufacturing and engineering, building and industrial services—came out at £1.36m compared with £2.22m in the 18 months to the end of 1979. Turnover for the year was £64.23m as against £75.08m for the 18 months.

At the half year stage the company made a profit before tax of £609,000 (£986,000) on sales of £31.56m (£25.83m).

The final dividend is 5p (3.5p) net per 25p share making a total for the year of 7.5p (10.5p, or 7p annualised).

Mr. John Redgrave, chairman, says that extremely good results have been achieved by the contracting companies and the order book for 1981 is very encouraging. Housing developments, he says, also made a valuable contribution.

The mortgage rate cuts should further boost housing demand which will lead to increased production and sales on the valuable housing sites acquired by the group over the last year or so, he adds.

The manufacturing and engineering division suffered substantial losses, and the two loss making companies, Gordon Tools and Sheffield Steel Products, were merged and rationalised to form Walter Lawrence Tools. This slimmed down operation should show improved results in the current year, Mr. Redgrave says.

All the loss making depots of Walaw Plant Hire have been closed and only the profitable operations are continuing.

Profit before tax was struck before interest payable of £609,000 (£923,000) and £70,000 (nil) for the new employee profit sharing scheme.

There was a tax credit for the year of £511,000 (£461,000 credit), being due to the release of the deferred tax provision for previous years. Extraordinary items took £757,000 (£86,000) representing the cost of reorganisation and depot closures.

The amount attributable came out at £1.11m (£2.49m) and the stated earnings per share were 37.3p (34.4p annualised).

● comment

Shares in Walter Lawrence reacted to yesterday's news with a 10p rise to 134p—both profits and dividend were better than expected. Moreover, the figures were achieved despite the burden of a £352,000 loss from engineering and manufacturing and a £370,000 loss from plant hire. Both divisions have been cut back to a level where overheads can be supported by current trading. The recovery implications for the current year are obvious. Meantime, construction, the foundation of the business, continues to progress fairly well. Housing completions should be around 120 this year (a similar number to the past 18 months) and the building programme could double in 1982. Profit margins on housebuilding, which turned out quite good last year, are set to improve in 1981. As for the balance sheet, borrowings, putting aside development finance, are down from £5.24m to £3.5m and the directors are now confident enough to be thinking in terms of expansion via acquisition. The market in the shares is thin, yet a fully taxed prospective p/e of under 7 backed by a historic yield of 8.4 per cent has not got out of hand.

Thos. Tilling confident

DESPITE the difficult trading environment, Thomas Tilling remains confident in its prospects, and the group has continued to pursue most of its programmes for capital investment and acquisitions.

Sir Robert Taylor, chairman of this construction, engineering, medical supplies and insurance concern, tells shareholders that directors have also been active in exploring opportunities outside Europe and the U.S.

As reported on March 19, a downturn of £11.7m to a surplus of £40.6m, left the 1980 pre-tax figure down from £81.1m to £70.7m, on turnover of £1.7bn (£1.42bn). The dividend is increased from 7p to 7.5p net per share

As at December 31, the balance sheet shows shareholders' funds of £485.7m (£445.4m), bank balances, short-term deposits and cash, £40.6m (£27.9m), and bank overdrafts and short-term loans of £91.1m (£78.5m).

87 companies wound up

Compulsory winding up orders against 87 companies have been made by Mr. Justice Nourse in the High Court. They were:

Flamecap, Michael Clay Leisurewear, Webb Electrical, Esquire Steak House, Hillbloom, C and O (Textile Importers), Penegral, ACM Distributors, Simon Essex Fine Arts.

Section Four Company, Abco Commercial and Industrial Promotion (London), Uneedus Fuel Oils, MF Marsh Developments, Poldershaw.

Microwave Merchandisers, Fox Fine Arts, Saltree, Chateray.

R and M (Leisure Wear), Hygienic Potteries Bakery, Colonnade Direct Mail Order Company, Graphexo, Tranmere Forge, Triplecraft, Wickstow Electricals, Planeford Insurance Brokers, Shandin, South-Central Coaches (Dorchester), Sudbury Insurance Services.

Harris Brickwork, CWMDU Transport, Atlantic Auto Parts, Surgpen, Regency Blinds (Redditch), Thomas Ogden, Akenplan, Calvadale, Farnglow, Dabnote, Mosforest, Seabeat, Anthony Houldsworth.

Baycrest Developments, CC Enterprises, Trident Signs, Merseyside Goldsmiths, Wicklewood Roofing, Seaway Services (General and Electrical Contractors), H. Haslam (Engineers), Hawthorne Technical Design Services, Polyfilms.

Ausman Maritime International, City Centre Textiles, Dresschoice, Emile Et Cie (London), Westair Conditioning Services, Dellren, Charterdell, Blackwall Scrap Co., Potarge (Plant Hire)

Ch. Ramstein and Co., Leebel Fasteners, S and E Transport, Architectural Antiques (California), Afe Auto Bulbs, D James and Son (Portsmouth), EJ and DS Contractors.

Fianu, Henley Court Plastering Company, Watkins Bros. (Woodwork), Stephen Paul Fashions, Barron Leatherwear, Harris and Gee, Glymar Properties, Whitby Metals Transport Contractors, Mullchnice, F. Djavadi and Partners.

Chalicemate, Gleeshaw, Taylor Law and Company, Pollard Furniture, Media Credit Services, GP Scaffolding Co., Nakasero Chemicals, Lescost (Haulage), W. Maynard, Four Star (Wholesale)

A petition seeking the compulsory winding-up of Claybridge Shipping Company has been adjourned until May 11.

Mr. Michael Driscoll for the petitioners, United Bank Ltd, claiming $42m, told Mr. Justice Nourse that the petition had been presented in April, 1980.

In June, on Claybridge's application, Mr. Justice Vinelott ordered the petition to be removed from the file. The petitioners' appeal was heard last month, when the order was discharged and the petition restored to the file and directed to be advertised.

A compulsory winding-up order made on April 6 against Michael Frank Limited was rescinded by Mr. Justice Nourse. By consent, the petition was dismissed.

Concord losses up but sees better year ahead

INTEREST CHARGES up from £793,100 to £1.17m and exceptional costs—including redundancies incurred in the rationalisation of production and distribution facilities—more than doubled at £1.08m compared with £507,300 increased the pre-tax loss of **Concord Rotaflex** for 1980 from £295,500 to £1.24m. But there is optimism for the current year.

Trading profit was marginally up from £1m to £1.01m on sales little changed at £24.63m (£24.65m). At the half-year stage this electric light fittings and bathroom appliances manufacturer made a loss before tax of £164,000 (£523,000 profits). Sales were £13.89m (£12.35m).

The final dividend for 1980 has again been omitted; an interim of 0.1p net (0.5195p) per 10p share has already been paid.

Mr. Michael Frye, chairman, says the company is in good heart and he is optimistic about the results for 1981. If the present level of profitability continues, this will be reflected in an interim dividend being declared for the first half of the year.

The directors were successful last year in their twin aims of the radical reduction of costs and the introduction of some major new product lines to stimulate a stagnant market, he says.

As a result and despite the recession, Concord Rotaflex achieved substantial profits for the first quarter of 1981.

The company has markedly improved operating efficiency and retained sufficient capacity for future profitable expansion. Further launches of new products have taken place already this year and more are planned.

To combat the effect of continuing economic deterioration the directors have cut operating costs by an annual rate of more than £3m, he says.

Despite high costs of rationalisation, borrowings were reduced by the end of 1980.

The number of operating sites was reduced and certain activities and companies were merged. This resulted in some 440 people, out of a total of 1,185, being made redundant.

Tax for the year took £54,500 (£211,600) and extraordinary items £56,900 (nil).

● comment

At the interim, Concord Rotaflex was marginally in the black, if its seemingly perennial reorganisation costs were disregarded. On the same basis, the second half showed a slightly less marginal loss—£87,000. Demand in the current year is so far somewhat improved, and since Concord says operating costs have been cut by £3m a year, the company may achieve the substantial recovery in profits which it is looking for. It seems unlikely that it is this reasoning which accounts for the recent recovery in the share price from a 1981 low of 15p to 37p yesterday—valuing the company at a shade over £4m. Probably this movement has more to do with the proximity of the company's freehold premises in the City Road to a site for which office development permission has lately been granted. Concord has wisely not yet made up its mind whether to revalue its City Road property in this year's balance-sheet. Without the benefit of such a move, however, shareholders' funds will fall short of borrowings (even though these are £0.3m down on last year's £4.2m).

EDITH nears £3.2m

Taxable revenue of **Estate Duties Investment Trust** rose £0.22m to £3.2m for the year to March 31, 1981. The net total dividend is effectively increased from 2.09p to 2.3p by a 1.5p final. A one-for-25 scrip issue is proposed.

Tax took £1.03m (£0.99m) leaving a net balance of £2.17m (£1.98m).

Underwriters support for London Shop

EASTER weekend criticism of the growth record, management policy and the proposed rights issue by **London Shop Property Trust** from major shareholders McLeod Russel, has been rejected by City merchant banker J. Schroder Wagg and Company, which is underwriting the issue.

Russel said last Thursday that London Shop's 57 per cent growth rate in net assets in the past three years compared to average growth in net assets of property companies of 90 per cent.

London Shop, via Schroders, said that Russel's figure took as its base a set of accounts which included a revaluation of properties, published in November 1978, some 11 months after the base date for the comparative figures for the sector.

Furthermore, London Shop said, "the assets growth quoted by McLeod Russel for property companies generally over the period January 1, 1978 to December 31, 1980, appears to be overstated."

London Shop is associated with secondary properties, limiting competition from institutional investors, and believes that this policy, "will provide excellent opportunities for growth over the next few years in both capital and rental income."

"This," it says, "will be helped by the proposed rights issue which will enable the company to take advantage of attractive buying opportunities presently available."

Barton profits slump to £0.8m

PRE-TAX PROFITS of the **Barton and Sons** group of tubing manufacturing and engineering, slumped from £3.33m to £763,000 for 1980, with a second half loss of £396,000, against a £1.28m surplus. Sales dropped from £51.2m to £45.6m.

The dividend has been cut, effectively to 2.4p (3.27p adjusted), with a final payment of 1p (2p) net per 25p share.

With CCA adjustments the result is turned into a loss of £62,000, pre-tax.

Tax on historic results was £146,000 compared with £947,000, and after preference dividends of £13,000, ordinary distributions of £576,000 (£784,000) and an extraordinary debit of £1.29m (£22,000), there was a loss of £1.26m against a £1.56m profit.

The extraordinary item was largely the result of closure costs of Wright Anderson and Co., the Gateshead structural steel work company, for which no provision was made in the interim figures.

Earnings per share are shown as 2.52p (9.88p).

● comment

Barton tumbled into loss in the second half as the aluminium diecasting and scrap processing businesses were particularly hard hit by the recession. The Canadian tubing subsidiary contributed less than £0.3m compared with £0.8m in 1979, hurt by a depressed summer season and the conversion to sterling. The engineering division held up reasonably well but the 1979 figures include the £0.3m loss from Wright Anderson. High interest charges reflect the cost of making three acquisitions in 1979. Capital gearing has remained at about 37 per cent despite some improvement in working capital. Even before the £1.29m extraordinary charge for the closure of Wright Anderson and other redundancies, the dividend is only barely covered on an historic cost basis. The decision to pay a final dividend, albeit a halved one, indicates some confidence but the group is now operating only at about break-even. The yield is 11 per cent.

Boustead falls in second half

A SHARP decline in the second half of 1980 when profits at the pre-tax level fell from last time's £2.12m to £775,000, has left **Boustead** with a taxable surplus for the year of £2.14m, compared with £3.31m. Sales for the 12 months rose from £35m to £38.23m.

However, a final dividend of 0.75p maintains the total at 1.25p net on increased capital.

The directors say that although results for the first quarter of the current year do not yet reflect any major upturn there are encouraging signs in the group of an improvement in trading conditions.

The surplus was struck after interest charges of £754,000 (£424,000) and other charges, but was subject to tax of £1.02m (£1.33m).

Minorities were lower at £373,000 (£464,000) and after extraordinary debits of £94,000 (nil) the retained balance emerged at £231,000 (£1.1m).

Stated earnings per 10p share were down from 5.07p to 2.22p.

On a CCA basis the pre-tax profit is reduced to £1.54m.

Commenting on the results the directors say that Boustead Singapore showed a 9 per cent increase in pre-tax profit expressed in Singapore dollar terms after reflecting the losses incurred by certain associated companies. Boustead's Australian subsidiary improved earnings by 35 per cent, but the New Zealand company returned a small loss. Taiping Plantation profits were down because of higher operating costs and in the second half, lower commodity prices.

In the UK, industrial operations were seriously affected by the recession resulting in a substantial fall in profitability. The commodity broking companies were in line with expectations.

Boustead is an investment holding company whose interests include rubber and oil palm cultivation, consumer goods, light engineering and metal products, builders' hardware and motor vehicle distribution.

Decrease at Arthur Wood

A second-half fall from £137,980 to £125,521 left 1980 taxable profits of **Arthur Wood and Son (Longport)**, earthenware manufacturer, lower at £149,221, compared with £158,480.

Tax for the year took £44,196 (£28,258) and the net dividend is unchanged at 1p per 5p share.

On a CCA basis, 1980 pre-tax profits were £42,000.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: British Assets Trust, James Halstead, North British Properties.

Finals: William Baird, Biddle, George M. Callender, Danish Bacon, Delta Group, Elbar Industrial, E. Fogarty, Harris Queensway, Lilleshall, John Menzies, Richardsons Westgarth, Websters, Wilson (Connolly).

FUTURE DATES

Interims—

Caravans International .... May 27
Common Brothers .... May 5
Pearce (C. H.) .... May 5
Safeguard Indust. Investments April 27
Serck .... May 14
Simpson (S.) .... April 30
Ulster Television .... May 8
Wolverhampton and Dudley Breweries May 29

Finals—

Amal. Power Engineering .... April 24
Blue Circle Industries .... April 29
Border Breweries (Wrexham) April 29
Dares Estates .... April 24
Estates and General Invests. April 27
Farnell Electronics .... April 28
Foseco Minsep .... April 29
Foster (John) .... May 26
Hall (Matthew) .... May 6
Jersey Electricity .... April 27
Jessel Toynbee .... April 29
Laing (John) .... May 1
M.D.W. .... April 23
Marlborough Property .... April 28
Mettoy .... April 24
Modern Engineers of Bristol May 14
Office and Electronic Machine April 29
Save and Prosper Linked Investment Trust May 1
Slingsby (H. C.) .... April 30
Sunlight Services .... April 28
Warrington (Thomas) .... May 5

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$500	20	16	7	38	9	66	$482
GOLD C	$525	10	8	119	29	—	—	"
GOLD C	$550	2	3.50	61	19	9	34	"
GOLD P	$500	—	—	2	35	—	—	"
		April		July		Oct.		
ABN C	F.280	8	7	—	—	—	—	F.285
ABN C	F.300	—	—	17	8.40	—	—	"
ABN C	F.320	—	—	2	1.50	—	—	"
AKZO C	F.17.50	—	—	—	—	6	6.50	F.22.80
AKZO C	F.20	111	2.90	46	3.50 B	51	4.30	"
AKZO C	F.22.50	99	0.50	36	2	97	2.60	"
AKZO C	F.25	—	—	63	0.80	13	1.60 A	"
AKZO P	F.20	—	—	20	0.30	—	—	"
AKZO P	F.22.50	—	—	62	1	—	—	"
AMRO C	F.60	—	—	4	1.50	—	—	F.56.30
HEIN C	F.50	10	6.50	—	—	—	—	F.56.60
HEIN C	F.55	2	1.50	—	—	2	5	"
HEIN C	F.60	—	—	5	1.10	2	2.70	"
HEIN P	F.55	—	—	18	2.80	—	—	"
HEIN P	F.60	2	4	—	—	—	—	"
HOOG C	F.12.50	—	—	—	—	2	8.50	F.20.20
HOOG C	F.15	17	5.50	1	5.70	—	—	"
HOOG C	F.17.50	—	—	17	3.70	—	—	"
HOOG C	F.20	5	0.40	—	—	100	2.30	"
IBM C	$60	27	$1\frac{3}{8}$	—	—	—	—	$$62\frac{1}{8}$
IBM C	$65	10	$\frac{1}{16}$	5	$2\frac{1}{8}$	6	$4\frac{1}{8}$	"
IBM C	$70	—	—	10	$\frac{5}{8}$	—	—	"
IBM P	$60	—	—	—	—	6	$2\frac{1}{2}$	"
KLM C	F.60	6	61	—	—	—	—	F.120.70
KLM C	F.65	10	55.50 B	10	56 B	—	—	"
KLM C	F.70	4	51	1	50	—	—	"
KLM C	F.80	7	41	38	41	20	41	"
KLM C	F.90	16	30.50 B	11	31	3	31	"
KLM C	F.100	49	20.50	18	23	3	22 B	"
KLM C	F.110	193	10.50	85	16.80 A	63	19	"
KLM C	F.120	—	—	230	11	16	14.50	"
KLM C	F.130	—	—	139	6.50	23	9	"
KLM P	F.80	—	—	5	1.10	4	2.50	"
KLM P	F.90	—	—	27	2.20	—	—	"
KLM P	F.100	—	—	79	4	15	6	"
KLM P	F.110	25	0.60	38	7	2	10	"
KLM P	F.120	—	—	5	12.30	—	—	"
NATN C	F.110	3	8.20 B	—	—	—	—	F.118.60
NATN C	F.115	10	3.50	—	—	—	—	"
NATN C	F.120	21	10	16	5	—	—	"
NATN C	F.125	—	—	10	2A	7	4A	"
NATN P	F.125	—	—	5	9.20	—	—	"
PETR C	F.4500	—	—	5	280	5	420	Fr.4490
PETR C	F.5000	—	—	—	—	16	200	"
PHIL C	F.17.50	38	3.80	11	4	31	4.30	F.21.20
PHIL C	F.20	386	1.20	153	1.90	382	2.60	"
PHIL C	F.22.50	—	—	73	0.80	188	1.30	"
PHIL P	F.17.50	—	—	15	0.10	—	—	"
PHIL P	F.20	—	—	10	0.50	40	1	"
POLA C	$25	—	—	8	$4\frac{7}{8}$	—	—	$$28\frac{1}{4}$
RD C	F.85	31	7	—	—	—	—	F.91.80

TOTAL VOLUME IN CONTRACTS 5004

A=Asked B=Bid C=Call P=Put

RESULTS AND ACCOUNTS IN BRIEF

BRISTOL STADIUM.—Results for year to end-December, 1980. Turnover £608,140 (£552,986) from 87 meetings (106). Pre-tax profits £78,659 (£47,026) after crediting investment income of £33,132 (£6,970) and profit on sale of Treasury Stock nil (£10,979). Expenditure (including depreciation of £55,706), £528,641 (£484,643), leaving net receipts £79,499 (£68,343). After Betting Duty of £33,972 (£39,266), net operating profit was £45,527 (£29,077). Tax £37,852 (£14,803). After extraordinary credit of £14,235 (nil), retained profit was £55,042 (£32,223). Dividend 0.6p (0.5p).

BTR (energy, engineering, plastics and materials handling)—Results for 1980 reported March 13 in full preliminary statement. Shareholders' interests £221.5m (£149.3m). Loan capital £68.41m (£24.32m). Bank loans and overdrafts £12.84m (£10.43m). Cash £17.13m (£4.89m). Group's plans for 1981 are for continuing growth. Meeting, St. Ermin's Hotel, SW, May 13, noon.

APPLEYARD GROUP OF COMPANIES (distributor and retailer of cars and commercial vehicles).—Results for year to end-December, 1980 already known. Shareholders' funds £9.01m (£12.21m); balance at bank £4.25m (£6.63m); creditors £6.99m (£8.97m); bank overdrafts £540,000 (£4.65m); loans £2.81m (£2.84m). Historical pre-tax loss of £1.88m (£852,000 profit) increased to £2.94m on a CCA basis. Meeting, Leeds, May 14, 11 am.

PERCY LANE GROUP (window assemblies manufacturer).—Results for year to December 31, 1980 reported on March 26. Shareholders' funds £4.07m (£4.12m); bank overdraft £753,000 (£984,000); debtors £4.07m (£4m); cash in hand £111,000 (£179,000); creditors £3.61m (£3.66m). Meeting, Birmingham, May 20, at noon.

GEORGE INGHAM AND CO. (HOLDINGS) (worsted spinner).—Results for year to end-December, 1980 already known. Shareholders' funds £584,216 (£656,302); stock and work in progress £525,832 (£375,818); debtors £264,729 (£257,354); creditors £129,901 (£159,130); bank overdraft £408,313 (£157,445). The historical operating loss of £72,086 is increased to £103,000 on a CCA basis. Meeting, Halifax, May 12, at noon.

GEORGE SPENCER (maker of Vedonis knitwear).—Results for 1980 reported April 4. Shareholders' funds £5.87m (£6.11m). Bank overdraft £975,637 (£952,484). Cash £158,741 (£198,668). Chairman is confident of company's ability to take full advantage of opportunities that must follow the worst conditions in the post war era. Meeting, Nottingham, May 15, noon.

ASSOCIATED BISCUIT MANUFACTURERS.—Results for 1980 reported on April 15. Shareholders' funds £82.35m (£71.18m); cash and bank balances £1.07m (£1.28m); debtors £47.12m (£51.84m); creditors £42.78m (£47.24m); bank loans and overdrafts £8.65m (£19.1m); debentures and term loans £31.25m (£28.92m). Historical pre-tax profits of £7.23m (£11.59m) reduced to £3.2m (£6.84m) on a CCA basis. Meeting, Great Western Royal Hotel, W. on May 20, 12.30 pm.

METAL CLOSURES GROUP.—Results for year to end-December, 1980 already known. Ordinary shareholders' funds £29.61m (£27.75m); short-term deposits £2.4m (£1.78m); cash at bank and in hand £1.9m (£724,000); debtors £10.36m (£12.74m); creditors £9.96m (£10.11m); loan capital £1.05m (£1.32m). Historical pre-tax profits of £5.51m reduced to £3.34m on a CCA basis. Meeting, West Bromwich, May 15, 11.30 am.

ROCKWARE GROUP (glass and plastics container manufacturer)—Results for the 52 weeks to December 29, 1980 and prospects announced March 26. Shareholders' funds £56.56m (£58.7m); borrowings £31.18m (£21.5m); bank balances and cash in hand £2.73m (£2.07m). Meeting, Winchester House, EC, May 27, 3 pm.

R. CARTWRIGHT (HOLDINGS) (door, window furniture)—Results for 1980 reported March 26. Shareholders' funds £4.46m (£4.38m). Bank overdrafts £845,242 (£716,550). Cost at bank and in hand £7,436 (£21,133). Meeting, Birmingham, May 13, noon.

RUBEROID—Results for 1980 reported April 10. Shareholders' funds £11.32m (£8.46m), deposits and cash £1.54m (£1.59m), working capital up £1.33m (£306,000). CCA profit £1.33m (£863,000). Chairman says company budgeting to maintain profit in current year. Meeting, Dorchester Hotel, W., May 7, at 12.15 pm.

SMITH AND NEPHEW ASSOCIATED COMPANIES—Results for year to January 3, 1981, reported with balance sheet details March 25. Payment to director on termination of employment £25,000 (nil); ex-gratia payment to subsidiary director £35,000 (nil). Meeting, Grosvenor House Hotel, W., May 14, at 11.30 am.

WILLIS FABER (insurance brokers and underwriters)—Results for 1980 reported March 24. Shareholders' funds £48.43m (£43.17m), increase in net current assets £3.42m (£2.09m). Listed investments at cost £19.57m (£16.11m), cash and short-term funds £53.96m (£42.26m), bank loans and overdrafts £17.1m (£10.71m). CCA profit £18.24m. Meeting, 10 Trinity Square, EC, June 2, noon.

BESTOBELL (controls instrumentation, energy engineering, aviation etc.)—Results for 1980 reported March 26. Shareholders' funds £32.86m (£26.82m), cash £2.01m (£2.15m), overdrafts and acceptance credits £6.79m (£8.58m). Increase in external funding £1.55m (£1.84m). Meeting, Institute of Directors, SW, May 14 at noon.

CHURCH AND CO. (footwear maker and retailer)—Results for 1980 reported March 26. Shareholders' funds £14.65m (£13.74m), cash £177,000 (£118,000), bank loans and overdrafts £3.27m (£2.86m). Working capital up £2.27m (£3.46m). Meeting, Northampton, May 8 at noon.

J. HEWITT AND SON (FENTON) (manufacturer of industrial and domestic refractories)—Results for 1980 already known. Shareholders funds £2.36m (£2.11m). Net current assets £591,567 (£454,043). Meeting, Stoke-on-Trent, on May 11, at 12.30 pm.

THOMAS ROBINSON AND SON (engineer and machine maker—Results for 1980 reported March 12. Shareholders' funds £5.57m (£5.54m), bank balances £663,000 (£1.75m), overdraft — subsidiary — company — £341,000 (£46,000). Meeting, Rochdale, May 13 at noon.

TI RALEIGH INDUSTRIES (wholly owned subsidiary of Tube Investments)—Results for 1980 already known. Total shareholders' funds £27.23m (£33.03m). Loans £6.64m (£5.94m). Bank overdrafts £23.11 (£21.17m). Comparatives adjusted. Directors say it seems unlikely that a satisfactory level of profit will be earned in 1981, but future prospects for bicycles appear to be reasonably good with growth expected in UK and European markets. Meeting, Nottingham, May 8, 12.45 pm.

WINSTON ESTATES (property development and investment)—Results for 1980 reported March 4. Shareholders' funds £4.05m (£3.9m). Secured borrowing £147,282 (£204,061). Bank overdrafts (secured) £588,852 (nil). Bank balances and cash £468,684 (£1.5m). Chairman is confident of continued progress and expansion for company. Meeting, 10 Bolton Street, W. May 14, noon.

SOLEX (UK) (carburettor manufacturer)—Turnover for 1980 £11.93m (£12.64m), pre-tax loss £1.61m (£403,000 profit) after exceptional debit £70,000 (£240,000 profit). Tax credits £1.32m (£168,000), loss after tax £294,000 (£571,000 profit). Loss per 50p share 5p (9.7p earnings), dividend 0.1p net (1.75p).

HEPWORTH CERAMIC HOLDINGS (vitrified clay, plastic pipes and refractory products manufacturer)—Results for 1980 reported March 20. Shareholders funds £155.24m (£160.54m). Net current assets £93.76m (£91.47m). Meeting, Charing Cross Hotel, WC, on May 12 at noon.

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MINING NEWS

Production suspended at Bindura

ZIMBABWE'S largest nickel producer, the **Anglo American** group's **Bindura Nickel**, said yesterday that production will be suspended for about eight weeks because of damage to the electric furnace, caused by an explosion last Thursday, reports **Tony Hawkins from Salisbury.**

No one was injured in the explosion, but the furnace roof will have to be rebuilt and no leach alloy will be produced while this is being done. The refinery, which handles material from the **Johannesburg Consolidated Investment** group's **Shangani** nickel mine as well as Bindura's output, will also remain closed for the period, but nickel concentrate production will be unaffected.

Bindura minimised the effects of the closure on profits by saying that both itself and Shangani have adequate stocks of finished nickel because of the current depressed level of demand.

Last year, Bindura produced just over 11,000 tonnes of finished nickel, of which 2,800 tonnes was for Shangani. Earlier this month, the company forecast lower output from Bindura of about 7,800 tonnes this year, down 450 tonnes from 1980.

CORONATION SYNDICATE

Net profits of **Lonrho's Coronation Syndicate** of South Africa for the second quarter ended on March 31 are sharply lower than in the previous quarter at R113,000 (£64,000), compared with R1.89m last time.

The company has received no dividend this quarter from its Zimbabwe copper and gold subsidiary **Corsyn Consolidated Mines.**

Coronation is to pay an unchanged interim dividend of 30 South African cents a share, after first-half profits of R2m.

Corsyn's net profits for the quarter were 21 per cent lower at Z$1.59m (£1.1m), following lower operating results from all four mines. Inyati remained in the red, and operations in the Era East section of the mine will cease once all available ore has been mined, probably towards the end of the present financial year.

East & West Drie £1.7bn super-mine gold merger

BY KENNETH MARSTON, MINING EDITOR

THE CREATION of the world's biggest gold-producing complex is envisaged with the news that the **Consolidated Gold Fields** group's big South African **East Driefontein** and **West Driefontein** gold mines are to be merged as part of a scheme to exploit the Ventersdorp contact reef at the neighbouring North Driefontein area.

In terms of the respective share prices, the merger is worth over R3bn (£1.7bn) making it the biggest-ever agreed mining deal. The bid by **Standard Oil of California** for **Amax** is of an even greater value but this deal is being resisted by Amax.

It is proposed that 40.1m new R1 shares of East Drie will be offered to holders of West Drie on the basis of 285 for every 100 West Drie. In addition, 7.4m new shares of East Drie will be given to **Gold Fields of South Africa** in return for the North Drie mining lease.

This will raise the issued capital of the enlarged East Drie (a new name for the company is to be decided) to 102.3m shares. The major holder will be GFSA with 30.5 per cent while Consgold will have a direct stake of just under 10 per cent plus an indirect 15 per cent via its 46 per cent holding of GFSA.

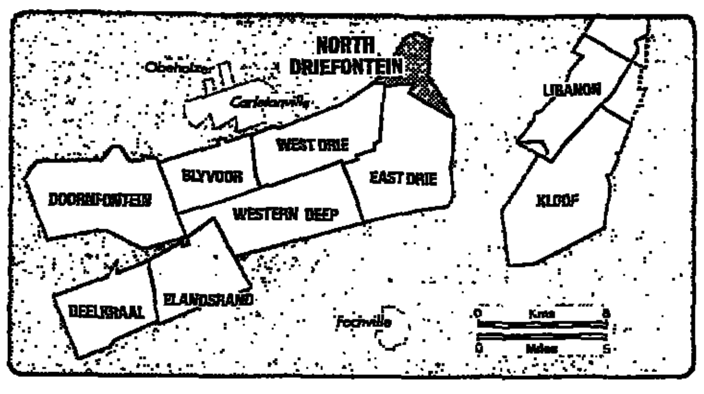
America's **Texasgulf**, which did some drilling work at North Drie, will have a very small interest in the "super mine" of about ½ per cent of the capital. The **Anglo American Corporation** group will figure importantly in the deal via the **Anglo American Gold Investment Company's** (Amgold) interests of 10.9 per cent in GFSA, 11.1 per cent of East Drie and 14.2 per cent of West Drie.

It is understood that Amgold regards the enlargement of East Driefontein as "an imaginative and great scheme." By taking in North Drie, which contains an estimated 27m tonnes of ore grading a high 14.3 grammes gold per tonne, the merged operations would have a life prospect of some 50 years.

The good ore grade indicates a low break-even cost of under $200 per ounce for gold. The present combined ore milling rate of 450,000 tonnes a month for East and West Drie can be immediately increased to 475,000 tonnes to yield more than 80 tonnes of gold a year.

At present the world's biggest gold mine is Russia's Muruntau complex in Uzbekistan which is believed to produce about 80 tonnes of gold a year, the second largest being South Africa's Vaal Reefs with 70 tonnes.

The working of the North Drie area can be achieved at relatively small cost—at the moment there is no suggestion that shareholders will be asked to put up any funds — because most of the required plant and other infrastructure is already available, notably at West Drie which has spare capacity.



Existing hoisting shafts can be used to tackle the new area—which is relatively shallow by South African standards—and it may only need ventilation shafts. No new treatment plant will be needed. Another important advantage of the merger is that it will allow the early mining of ore in existing inter-mine boundary pillars which is estimated to contain some 28 tonnes of gold worth about R350m (£200m).

Clearly, working North Drie as an extension of existing mining operations would be less costly than setting up a separate mine and part of the capital costs could be used as a tax offset against profits of the existing operations.

It is considered that earnings of an enlarged East Drie would be greater than the sum of those arising from three separate mines. This will appeal particularly to holders of West Drie, a mine which is now past its best.

East Drie, of course, is still flourishing as South Africa's richest gold mine with a long life prospect of about 70 years. Shareholders of the latter are thus presented with a shorter-life prospect, but it is claimed that this will also hasten and increase the flow of their dividends. Overall, the scheme makes a good deal of sense.

Meanwhile, East Drie will change its financial year end to June 30 from December 31 and, with West Drie, will consider a dividend on the existing shares in June; the new East Drie shares to be issued will not rank for this payment. The necessary resolutions for the scheme will be put to meetings on June 15.

Following the latest news East Drie shares closed £1½ up on the day at £13¾, West Drie were £2¼ to the good at £37, GFSA gained £3½ to £35¼ while Consgold eased 3p to 472p.

'Sallies' and Elandsrand issue terms

TWO GOLD MINES in the Anglo American Corporation of South Africa group have disclosed the terms of forthcoming rights issues.

The young **Elandsrand**, on the Far West Rand, is to raise R120m (£68m) through the issue of 28 new shares for each 100 held at R5.70, while the veteran **South African Land and Exploration** ("Sallies") is seeking R13m on a 35-for-100 basis, also at R5.70.

Elandsrand gained 10 to 300p in London in advance of the news, and Sallies were 13 higher at 296p. Both offers open on May 1 and close on May 22. Shareholders in the U.S. will not qualify, and their rights will be sold on their behalf.

Elandsrand, which has already drawn upon almost all of the R40m made available by its parent company, needs the new funds to maintain its expansion programme, particularly in the urgent development of the sub-vertical shaft system. This will enable the higher grade reefs at the lower levels to be mined.

Sallies will use the new funds for a comprehensive underground sampling programme at the promising No. 5 shaft of the former Van Dyk property, which lies to the west and south of the company's existing workings.

Around a year ago, Sallies announced that the potential for a new gold mine existed in the area. While recent information suggests that the extent and value of ore reserves may not be as great as originally thought, Sallies still believes in the prospect's potential, and the two-year sampling programme is regarded as the first step in a long-term plan for a possible new mine.

Durban and ERPM profits show fall

INEVITABLY, the lower gold prices received during the March quarter have made a sharp impact on profits of the marginal mines in the **Rand Mines** group. **Durban Deep** received an average price of only $524 per troy ounce compared with $634 in the previous quarter when there was also a tax recoupment. In addition, costs continue to rise with the result that the past quarter's net profit has dropped by 59 per cent.

East Rand Proprietary Mines (ERPM) has been similarly affected despite an increase in production during the March quarter. Both companies say that they can again claim State assistance owing to the fall in the gold price and their substantial capital spending, but formal claims for aid will be submitted only when the Government Mining Engineer's approval for the capital spending programmes has been obtained.

Thanks to an improvement in mill grade, **Harmony** has increased its March quarter gold production, thus cushioning the effects of the lower gold price. **Blyvoor** has also enjoyed a better mill grade and net profits have made a reasonable showing in the face of a fall in the average gold price received to $522 from $619 in the previous three months.

The group's quarterly net profits are compared in the following table.

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
Blyvoor	17,457	19,983	23,072
Durban Deep	4,137	10,007	6,994
E. Rand Pty.	8,509	18,210	12,404
Harmony	28,846	33,720	34,887

Bethlehem Copper made a net loss of C$0.2m in the first quarter of this year, compared with a profit of C$4.2m in the corresponding period of 1980. Copper sales were substantially lower, at 2.2m lbs against 15.7m lbs, as a result of the timing of shipments.

While production at the company's Highland Valley mine in British Columbia was higher, the operation was hit by lower prices for copper and molybdenum and higher operating costs.

Cominco, the metals and chemicals arm of the **Canadian Pacific** group, has increased its stake in Bethlehem Copper to 96.5 per cent from 93 per cent, by the purchase from **Sumitomo Shoji Kaishi** of Tokyo of 200,000 shares at C$37.50 each.

Meanwhile, Cominco itself is pushing ahead with a C$31m expansion programme at its Vade potash mine in Saskatchewan. When it is completed next year, the programme will boost capacity by 25 per cent to 1.3m short tons a year.

COOPER BASIN GAS FINDS

The **Santos** consortium, comprising **Santos, Delhi Petroleum, Vamgas,** and **South Australian Oil and Gas Corporation**, reports two gas discoveries in Australia's Cooper Basin.

The first, the Yapeni 1 well located 41 km south of the Moomba gas plant, flowed gas at approximately 9.5m cubic feet a day from the interval 6,776 feet to 6,826 feet with an additional 110 feet of condensate recovered from the drill string.

The second discovery was made in the Kerna 1 well, 74 km east of the Moomba plant and around eight km south east of the Dullingari oil and gas field. Kerna 1 produced gas at a rate of 550,000 cubic feet a day from the interval 7,641 feet to 7,696 feet.

Yapeni 1 has a target depth of 7,500 feet and Kerna 1 a planned depth of 8,480 feet.

Interests in each of the two wells are **Santos**, 50 per cent, **Delhi** 30 per cent, **Vamgas** 10 per cent and **South Australian Oil and Gas** 10 per cent.

CANADIAN ROUND-UP

Shell Canada is continuing its efforts to arrange sales contracts for its coal deposits in the Line Creek area of south-east British Columbia, and other coal properties in British Columbia and Alberta.

Trial shipments of thermal coal have been arranged for delivery in 1982 to a number of potential customers in Europe and the Far East, the two areas on which the marketing effort is being concentrated.

The group's **Crows Nest Resources** subsidiary is to spend C$200m (£78m) at Line Creek to meet contracts with **Korea Electric** for 750,000 tonnes of thermal coal a year starting in 1982 and 1m tonnes of metallurgical coal a year to a consortium of Japanese steelmakers starting in 1983.

Plans are already under way to expand Line Creek to handle additional long-term sales of thermal coal, starting in 1983.

Poor start at Bougainville

FIRST QUARTER results of the **Rio Tinto-Zinc** group's big **Bougainville** copper-gold mine in Papua New Guinea have reinforced the company's forecast that earnings for the full year would be below the Kina 71.5m (£50m) for 1980.

Mr. D. C. Vernon, Bougainville's chairman, told yesterday's annual meeting that the decline in earnings was attributable to a significant fall in metal prices over the past three months.

He went on to say that while the long-term prospects for copper apear sound, it is unlikely that the price will show any real improvement while the current economic recession persists.

Despite this, he is confident of Bougainville's long-term future, and pointed out that although operating costs have increased substantially, the mine still rates as a low-cost operation.

Bougainville is owned as to 53.6 per cent by CRA, which is in turn a 61.1 per cent-owned subsidiary of RTZ.

WHSMITH

Sparrow falls below £1m pre-tax

LOW DEMAND, poor rates for crane hire, together with the crane drivers' strike which cost at least £0.5m in lost profits, left taxable surplus of G. W. Sparrow and Sons, crane hirer, down from £1.68m to £995,000 for 1980. At halfway, the pre-tax figure had fallen from £634,000 to £437,000.

However, with the year's turnover and operating profits both showing an *increase—from* £16.82m to £21.45m and from £4.64m to £5.22m respectively—the directors say the group has performed well under difficult trading conditions.

The reduction at the pre-tax *level reflected higher* depreciation of £3.19m (£1.79m) and interest charges up from £1.69m to £2.42m. Profits included associate's contribution of £146,000 (£9,000) and £189,000 (£488,000) on the disposal of fixed assets.

Current cost figures show a loss before tax of £307,000 for the year.

The current crane hire market in the UK is weak, but for the group's business as a whole there are some signs of improvement in the level of inquiries received and the directors say Sparrow is in a position to respond quickly whenever an upturn in demand arises.

They add that they will be disappointed if the group does not show an improvement over the 1980 results.

Business in the first three months of the current year shows no sign of improvement in the UK crane hire field, although the group's offshore business should continue to be buoyant throughout 1981.

The final dividend is being reduced from an adjusted 1.2p to 1.12p net, which effectively maintains the year's payment at 2p per 20p share.

After tax of £86,000 (£91,000) earnings per share were down from 16.7p to 9.5p, while on a full tax charge basis earnings were 5p (8.5p). CCA deficit per share was 4.1p.

● comment

Most plant hire companies moved into the red in the *second* half of last year, so Sparrow has done well to end the year with pre-tax profits down by 40 per cent. Turnover was 21 per cent up largely thanks to its offshore activities, now two years old, and clearly paying their way just when it counts. Margins were under pressure as charges were kept at last year's level despite higher labour costs in the face of fierce competition and price cutting across the industry, which is suffering from overcapacity. High interest rates *took their toll with income gear*ing rising over the year from 36 per cent to 46 per cent. Traditionally the first quarter of the year is flat and the current position is no exception. On a CCA basis the dividend is uncovered. The shares remained unmoved by the 37 per cent cut in the final dividend and at 95p yield nearly 3 per cent.

Second half loss at Anchor

A SECOND half loss of £43,000 against a £434,000 profit, has left Anchor Chemical Group, chemical and plastic manufacturer, with taxable profits well behind from £784,000 to £224,000 for 1980. Turnover was also down at £12.54m compared with £14.07m.

And the final dividend has been omitted, leaving the total at 2.38p (5.3p) net per 25p share.

Mr. B. B. Pugh, chairman, says *the* UK trading position deteriorated dramatically in the latter part of the year, and at present there seems little sign of *an upturn in demand—there was* no improvement in the first quarter.

He adds, however, that with the steps taken to slim down Anchor Chemical (UK), even a modest increase in demand would show a return to profitability for this company.

Overseas profits were similar to those of the previous year, but *these results were effectively* nullified by the UK recession, coupled with high interest rates —charge for the year £411,000 (£370,000)—and strong sterling.

In the current year the overseas companies are showing a level of activity equal to that of 1980, Mr. Pugh states.

Pre-tax figure for the year was struck after exceptional debits of £18,000 (£21,000) and subject to tax of £214,000 (£248,000). There was also an exchange loss of £52,000 against £44,000 and an extraordinary debit of £112,000 (nil)—redundancy costs of £110,000 have been included in this item.

The available figure came through as a £154,000 loss (£492,000 profit).

Loss per share is given as 5.31p compared with earnings of 17.17p and on a CCA basis the profit, before tax, is turned into a loss of £64,000.

UK stocks were reduced from £1.95m to £1.26m during the year.

● comment

Anchor Chemical's overseas subsidiaries carried on profitably to the end of the year. Indeed, to judge by the 31 per cent increase in unrelieved overseas tax, they have probably done rather more than match their 1979 performance. The fortunes of the group's largest component, Anchor UK, look the bleaker for this contrast. UK losses which must have come close to £0.5m brought the group into a small pre-tax loss for the second half, although it had earned enough *earlier to finish up in the black.* The UK operation has been trimmed severely as demand for its products—hardeners for paints, fillers and anti-oxidants for the rubber industry—fell by 30 per cent. Stocks have been cut to £1.1m, part of a plan to reduce operating costs by £0.5m annually. *After these measures,* an increase in sales of around 5 per cent would see Anchor back to break-even in the UK. Demand has yet to show any real recovery; Anchor's caution over its immediate prospects can be read in the absence of a final *dividend.* The shares lost 4p, finishing at 62p.

YEARLINGS AT 12 3/8%

The interest rate for this week's issue of local authority bonds is 12⅜ per cent, up ⅛ of a percentage point from last week. The bonds are issued at par and are redeemable on April 28, 1982.

A full list of issues will be *published in tomorrow's edition.*

BROWN BROTHERS

Brown Brothers, distributor to the motor trade, has acquired Remus (Automotive) based in Brackley, Northants.

Remus specialises in the remanufacture of commercial vehicle clutch assemblies.

James Dickie well below capacity

Since October, the forge at **James Dickie and Co. (Drop Forgings)** has been working short time under the Government's temporary short-time working compensation scheme. With no sign of improvement, Mr. William Dickie, the chairman, says it is difficult to make a forecast for the future.

At present, the forge is running well below its capacity and is having great difficulty in absorbing relentless increases in energy costs, he tells members in his annual statement.

However, during this period the foundry has maintained a fair level of output and its order book has remained steady.

Also the company is now getting the advantage of the new equipment which was installed three years ago.

For the year ended October 31, 1980, pre-tax profits of the group, which makes drop forgings and grey castings, tumbled from £224,521 to £86,693, on higher turnover of £4.89m (£4.03m).

BIDS AND DEALS

Atlantis Resources buys control of Le Vallonet

Atlantis Resources, a Canadian-based oil and gas investing company, has bought effective control of 66 per cent of the *shares of* Le Vallonet, a Jersey-based investment trust, and intends to bid for the rest.

Shares of Le Vallonet were suspended earlier this month at 43p. Atlantis bought 1.4m shares at 45p from Air Call (Holdings) and will make an unconditional cash offer at this price for the outstanding shares, valuing Le Vallonet at £1.05m.

Atlantis intends to reorganise Le Vallonet so that its assets will be chiefly invested in petroleum and natural gas interests, mainly in Canada and the U.S.

Atlantis, a private company, bought 75,000 of the Le Vallonet shares for the account of Mr. D. Campbell Deacon and 75,000 for Craigmount Investment Management.

Both are parties acting with Atlantis, which already owned 116,000 shares of Le Vallonet. A further 20,000 shares were owned by discretionary clients of Craigmount. With these and its own direct interests, Atlantis controls 66 per cent of Le Vallonet.

A year ago, Le Vallonet formed Helier Resources in Alberta, where Atlantis is based, to take part in oil and gas drilling programmes. Helier then agreed with Atlantis to subscribe C$250,000 for a stake of around 5 per cent in a joint venture oil and gas consortium managed by Atlantis.

HAWKER HAS 72.3% OF CARLTON INDS.

The Hawker Siddeley Group offer for Carlton Industries has been accepted in respect of 5,790,848 shares, which represents 21.3 per cent of the capital including shares resulting from the exercise of options and the paying up of shares issued under the incentive scheme.

With the 13.9m shares acquired by Hawker pursuant to the 1978 offer, this represents 72.3 per cent of Carlton's capital.

In accordance with the agreement of April 26, 1978 between Hawker, Carlton London Merchant Securities, Mr. B. M. Bonfield and Mr. L. Roydon, LMS has not accepted the offer in respect of its 7,297,509 Carlton shares (26.8 per cent).

GRANADA

Granada Group has been notified of a sale on April 14 of 2m "A" ordinary shares at 223$\frac{1}{16}$p out of holdings in which directors are interested either beneficially or as trustees.

THF seeks advice on appeal

Trusthouse Forte will meet with its financial and legal advisers today or tomorrow to decide whether to go ahead with its bitterly opposed £58m bid for the **Savoy Hotel** group after last week's legal setback.

Sir Charles Forte, THF's executive chairman, said the takeover *attempt was now "hanging a bit in the balance."* Further action would depend on what advice was received.

The Savoy Board has fought hard against the takeover attempt by THF, which last week lost the first round in its legal battle to obtain shareholders' approval.

THF's application in the High Court to convene separate meetings of "A" and "B" shareholders of Savoy under the Companies Act dismissed. The court said it was *not acceptable under the Act* to try and acquire a company by a scheme of arrangement without its consent.

THF is meeting its financial advisers, S. G. Warburg, and solicitors Linklaters and Paines to work out what to do next, Sir Charles said.

"If I'm told there is a 60-40 chance, we shall probably continue," he added. "There is no false pride in this; if there is a *chance of success, we shall prob*ably appeal."

Sir Charles commented: "I don't want to give the Savoy any trouble. I simply want to acquire them."

On April 16, S. G. Warburg, as *an associate of THF* sold on behalf of discretionary investment clients 93,000 ordinary 25p shares of THF at 236p.

JAMES CREAN PURCHASE

James Crean, the diversified Irish distribution group, is to purchase for $1.6m an electrical wholesaler—**County Wholesale Electrical**—which operates from three locations in southern California.

Crean says the move will give it a stake in an economy with higher growth prospects than either the UK or Ireland can offer, and views County as a *platform from which to mount* further acquisitions on the west coast of America.

The purchase price, as well as a loan to County of $0.57m, will be raised by placing 1m new 25p ordinary shares in Crean.

These shares will rank equally in all respects with the existing ordinary shares except that they will not qualify for the interim dividend of 2p in respect of the half year to December 31, 1980. The placing is being done by Rowe and Pitman and J. and E. Davy.

The Board of Crean says although profits are down on the current year, dividends will be at least as high as last year.

Brittanic sells stake in Gillett Bros.

Britannic Assurance has disposed of its holding of 568,800 ordinary shares of Gillett Brothers Discount. This is in accordance with Britannic's policy of eliminating its holdings in the discount houses.

The shares were placed with a wide range of investing institutions and the resulting increase in its spread of shareholders is welcomed by the Gillett directors.

SOUTH AFRICAN DEAL BY GA

General Accident Insurance Company South Africa has agreed, in principle, to acquire Southern Insurance Association, the short-term business subsidiary of Southern Life Association, in exchange for shares.

The aim of the deal is to realise the full potential of Southern Life which is South Africa's fifth largest life assurance group with assets of £342m.

DALE ELECTRIC IN MEXICAN VENTURE

Dale Electric Group has become the 49 per cent partner in a new Mexican company, Ottomotores Dale SA de CV, formed to acquire all the shares in the Ottomotores Group, based in Mexico City.

The deal gives Dale a major stake in the Mexican generating set industry. Ottomotores is also the KHD Deutz diesel engine distributor for the whole of Mexico and manufactures pumping sets.

Dale has paid £274,000 (14.5m pesos) for its 49 per cent share, the maximum allowable to foreign firms under Mexican law. Pre-tax profits for the year end *December 30, 1980,* were £127,345 (7m pesos).

Dale's partner in the business is the Lans family, who own the remaining 51 per cent.

Both partners are further financing the company—£250,000 jointly—as the basis for new expansion to maximise what the partners agree to be enormous potential of oil-rich Mexico, with its great geographical size and rapidly growing population.

LONDON TRADED OPTIONS

(Total contracts 1436)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	64	10	—	—	—	—	392p
BP	360	54	14	54	3	66	—	"
BP	390	9	12	32	20	48	—	"
BP	420	2	5	20	1	32	11	"
BP	460	½	—	10	16	—	—	"
Com. Union	160	5	16	17	7	22	—	162p
Cons. Gold	500	—	—	32	—	45	3	471p
Cons. Gold	550	—	—	15	3	23	2	"
Courtaulds	50	21	7	22½	—	25	—	70p
Courtaulds	60	11	11	14	39	16	10	"
Courtaulds	70	2½	23	8½	21	11	4	"
GEC	550	152	—	170	—	187	1	700p
GEC	600	102	6	120	—	137	—	"
GEC	650	52	15	78	6	95	—	"
GEC	700	9	28	38	3	58	8	"
Grand Met.	140	63	—	69	—	72	2	202p
Grand Met.	160	43	10	49	—	52	—	"
Grand Met.	180	23	2	31	27	34	2	"
Grand Met.	200	5	40	17	58	22½	78	"
ICI	220	66	—	78	—	86	20	282p
ICI	240	46	15	58	10	66	1	"
ICI	260	26	11	40	41	45	10	"
ICI	280	8	42	26	119	30	60	"
ICI	300	¾	24	15	124	20	10	"
Land Sec.	420	6	—	25	11	41	—	420p
Marks & Sp.	110	19	—	23	3	30	—	129p
Marks & Sp.	120	9	12	16	—	21	—	"
Marks & Sp.	130	3	15	8½	36	14	2	"
Shell	360	32	10	52	—	64	—	390p
Shell	390	6	22	28	1	42	5	"
Shell	420	1	5	12	3	26	16	"
Shell	460	¼	—	6	5	10	—	"
Totals			365		557		239	
		May		August		November		
Barclays B'k	420	15	6	35	2	45	—	425p
Barclays B'k	460	2	—	16	12	—	—	"
Imperial Gp.	70	6	—	9	—	10	5	75p
Imperial Gp.	80	2	25	3½	—	5	19	"
Imperial Gp.	90	1½	67	1	—	—	—	"
Lasmo	500	62	2	95	—	112	—	554p
Lasmo	550	20	6	60	—	77	—	"
Lasmo	600	7	4	34	—	52	1	"
Lasmo	700	2½	—	12	15	25	—	"
Lonrho	100	3	—	8½	—	12	4	95p
Lonrho	110	1½	9	5	—	8	—	"
P. & O.	120	42	1	44	—	47	—	161p
P. & O.	130	32	—	34½	10	39½	1	"
P. & O.	140	23	59	27½	—	32½	—	"
P. & O.	160	7	4	15	1	18	—	"
Racal Elec.	390	10	16	78	1	40	—	379p
RTZ	494	8	4	—	—	—	—	476p
RTZ	500	—	—	28	9	45	—	"
RTZ	494	8	3	—	—	—	—	"
Totals			204		51		30	

Companies and Markets

CURRENCIES, MONEY and GOLD

$ & £ steady

Dollar movement was restricted on the first full day of trading after the long Easter weekend in currency markets yesterday. Euro-dollar rates showed little change while latest economic data appeared to have little overall effect on the U.S. unit.

Sterling improved steadily during the day in thin trading. There was little to stimulate much activity although sentiment may have been improved by recent speculation that the recession could be coming to an end.

European currencies lost ground to the dollar and sterling. Within the European Monetary System, the D-mark remained the strongest currency and the Belgian franc the weakest but the latter was stronger compared with last Thursday. However, it remained outside its ECU divergence limit.

DOLLAR — trade weighted index (Bank of England) remained at 103.0. The dollar finished at about its best level of the day, helped by demand from the U.S. Trading was extremely thin. Against the Deutsche Mark the dollar closed at DM 2.1850 compared with DM 2.1865 on Thursday and a day's low of DM 2.1780. In terms of the Swiss franc it finished at SwFr 1.9930 against SwFr 1.9925 and gained slightly in yen terms to Y218.40 from Y217.10. Euro-dollar rates were virtually unchanged from before Easter.

STERLING — trade weighted index (Bank of England) rose to 99.2 from 98.8, having stood at 99.1 at noon and 99.0 in the morning. Sterling was quietly firmer yesterday, finishing at $2.1580-$2.1590 against the dollar, a rise of 45 points from Thursday's close. It opened at $2.1565 and reached a best level of $2.1655 during the afternoon before falling back on renewed dollar demand. Against the Deutsche Mark it rose to DM 4.72 from DM 4.71 and FFr 11.1550 from FFr 11.1150.

D-MARK—One of the strongest members of the European Monetary System, helped by the sharp rise in West German interest rates. On the other hand a firmer tendency in U.S. rates has depressed the D-mark against the dollar recently, despite an easing of tension in Poland—Trading was extremely quiet in Frankfurt yesterday on the first day after the Easter weekend. The market suffered from an absence of any fresh news and both Euro-dollar rates and Euro-mark rates showed very little change. The dollar was fixed at DM 2.1833 compared with DM 2.1830 on Thursday and sterling improved to DM 4.7110 from DM 4.7070. Within the EMS the Belgian franc was higher at DM 6.105 from DM 6.099 per BFr 100 and the French franc rose to DM 42.34 against DM 42.33 per FFr 100.

ITALIAN LIRA — Remaining steady around the middle of the EMS, after the latest economic package, which included a 6 per cent devaluation against its EMS partners and a 2½ point rise in the discount rate to 19 per cent. The lira had previously been the weakest member of the system—The dollar lost ground at yesterday's fixing in Milan in quiet trading but it retained a firm undertone. It was fixed at L1,087.2 against the lira compared with L1,089.05 on Thursday. Sterling was also weaker at L2,346.7 against L2,347.1, while the D-mark rose to L498.11 from L498.0. On the other hand the French franc was weaker at L210.77 from L210.99 and the Dutch guilder lost ground to L448.60 from L448.70.

THE POUND SPOT AND FORWARD

April 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1550-2.1655	2.1580-2.1590	0.70-0.80c dis	−4.17	2.20-2.30dis	−4.17
Canada	2.5740-2.5850	2.5755-2.5765	1.20-1.30c dis	−5.82	3.25-3.40dis	−5.16
Nethlnd.	5.22-5.26	5.24½-5.25½	1⅛-⅛c pm	1.71	2⅝-1⅞ pm	1.33
Belgium	77.00-77.50	77.10-77.20	35-45c dis	−6.22	100-115 dis	−5.57
Denmark	14.81-14.87	14.83-14.84	2¾-4¾ore dis	−2.86	8¾-11¾ dis	−2.83
Ireland	1.2875-1.2965	1.2925-1.2940	0.31-0.44p dis	−3.48	0.94-1.09dis	−3.14
W. Ger.	4.70-4.74	4.71½-4.72½	¾pf pm-⅛ dis	—	par-½ dis	−0.42
Portugal	126.00-126.80	126.35-126.55	par-30c dis	−1.42	25-135 dis	−2.53
Spain	190.10-191.70	191.10-191.30	60-90c dis	−4.71	220-275 dis	−5.18
Italy	2,344-2,354	2,349-2,350	12½-14½lire dis	−6.90	39½-42½ dis	−7.02
Norway	11.83-11.88	11.85-11.86	1¼ore pm-par	0.89	2½-1¼ pm	−0.59
France	11.11-11.16	11.15-11.16	⅛-1½c dis	−0.81	3½-4½ dis	−1.34
Sweden	10.18-10.23	10.20-10.21	3-4ore dis	−4.12	9¼-10¼ dis	−3.82
Japan	468-473	471-472	2½-2y pm	6.04	6-5¾ pm	4.77
Austria	33.28-33.43	33.30-33.35	3gro pm-1 dis	0.36	6 pm-3 dis	0.18
Switz.	4.28-4.32	4.30-4.31	1½-1⅛c pm	3.83	3⅛-2¾ pm	2.79

Belgian rate is for convertible francs. Financial franc 79.65-79.75. Six-month forward dollar 4.30-4.40c dis. 12-month 6.90-7.10c dis.

THE DOLLAR SPOT AND FORWARD

April 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1550-2.1655	2.1580-2.1590	0.70-0.80c dis	−4.17	2.20-2.30dis	−4.17
Ireland†	1.6685-1.6730	1.6685-1.6705	0.05-0.15c dis	−0.72	0.40-0.50dis	−1.08
Canada	1.1940-1.1945	1.1940-1.1944	0.11-0.16c dis	−1.35	0.21-0.26dis	−0.78
Nethlnd.	2.4220-2.4242	2.4225-2.4235	1.35-1.25c pm	6.44	2.45-2.35 pm	3.98
Belgium	34.75-35.85	35.73-35.75	4-8c dis	−2.02	7-13 dis	−1.12
Denmark	6.8570-6.8585	6.8620-6.8635	0.95-0.45ore pm	1.22	2.80-2.30 pm	1.14
W Ger.	2.1817-2.1850	2.1840-2.1860	0.78-0.72pf pm	4.12	2.15-2.09 pm	3.89
Portugal	58.40-58.60	58.45-58.60	20c pm-10 dis	−1.02	50pm-25dis	−0.85
Spain	88.50-88.55	88.53-88.58	5-15c dis	−1.35	15-35 dis	−1.13
Italy	1,086-1,089	1,088½-1,089	2.00-2.50lire dis	−2.48	7.25-8.25dis	−2.85
Norway	5.4840-5.4890	5.4840-5.4860	2.60-2.10ore pm	5.74	6.60-6.10 pm	4.63
France	5.1525-5.1725	5.1700-5.1725	1.50-1.40c pm	3.37	3.70-3.50 pm	2.79
Sweden	4.7200-4.7255	4.7240-4.7255	0.35-0.15ore pm	0.64	0.70-0.50 pm	0.51
Japan	217.80-218.50	218.30-218.50	1.90-1.70y pm	9.91	4.90-4.70 pm	11.01
Austria	15.410-15.450	15.410-15.4175	6.50-4.25gro pm	4.18	18.75-15.25pm	4.41
Switz.	1.9900-1.9950	1.9920-1.9940	1.38-1.28c pm	8.03	3.85-3.55 pm	7.24

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 21	Bank of England Index	Morgan Guaranty Changes%
Sterling	99.2	−26.8
U.S. dollar	103.0	−1.9
Canadian dollar	86.3	−17.7
Austrian schilling	115.5	22.5
Belgian franc	107.6	9.6
Danish kroner	88.6	−10.9
Deutsche mark	120.2	39.7
Swiss franc	133.9	74.8
Guilder	111.2	15.3
French franc	86.0	−9.7
Lira	59.1	−56.2
Yen	141.6	+36.9

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	Unavail.	0.539179
U.S. $	13	" "	1.15031
Canadian $	16.94	" "	1.38959
Austria Sch.	6¾	" "	17.9501
Belgium F.	15	" "	41.5822
Danish K.	11	" "	7.97136
D mark	7½	" "	2.53621
Guilder	9	" "	2.81376
French Fr.	9½	" "	5.99302
Lira	19	" "	1262.42
Yen	6¼	" "	251.927
Norwgn. Kr.	9	" "	6.55862
Spanish Pts.	8	" "	102.549
Swedish Kr.	12	" "	5.48248
Swiss Fr.	4	" "	2.31251
Greek Dr'ch.	20½	" "	61.8041

OTHER CURRENCIES

April 21	£	$		£ Note Rates
Argentina Peso	6654-6654	3071-3081	Austria	33.10-33.50
Australia Dollar	1.8770-1.8810	0.8707-0.8710	Belgium	79.25-79.80
Brazil Cruzeiro	171.56-172.56	79.46-79.86	Denmark	14.73-14.88
Finland Markka	9.0018-9.0218	4.1675-4.1685	France	11.05-11.15
Greek Drachma	113.805-115.875	53.10-53.20	Germany	4.69-4.73½
Hong Kong Dollar	11.595-11.615	5.3770-5.3800	Italy	2325-2380
Iran Rial	165.15*	76.60*	Japan	468-474
Kuwait Dinar (KD)	0.592-0.598	0.27580-0.27600	Netherlands	5.20-5.25
Luxembourg Frc.	77.10-77.20	35.73-35.75	Norway	11.80-11.92
Malaysia Dollar	5.06-5.0720	2.3470-2.3490	Portugal	124-127
New Zealand Dlr	2.3995-2.4045	1.1125-1.1136	Spain	182¼-196½
Saudi Arab. Riyal	7.20-7.26	3.3502-3.3522	Sweden	10.17-10.27
Singapore Dollar	4.5750-4.5870	2.1225-2.1245	Switzerland	4.27½-4.32
Sth African Rand	1.7546-1.7583	0.8145-0.8908	United States	2.14¾-2.16¾
U.A.E. Dirham	7.89-7.95	3.6720-3.6740	Yugoslavia	78¼-81

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.4942	+1.71	+1.69	±1.5381
Danish Krone	7.91917	7.98600	+0.84	+0.82	±1.6413
German D-Mark	2.54502	2.53640	−0.34	−0.36	±1.1386
French Franc	5.99526	5.99444	−0.01	−0.03	±1.3638
Dutch Guilder	2.81318	2.81784	+0.17	+0.15	±1.5159
Irish Punt	0.685145	0.694923	+1.43	+1.41	±1.6688
Italian Lira	1262.92	1264.13	+0.10	+0.10	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 21	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.159	4.720	471.5	11.16	4.305	5.250	2350.	2.576	77.15
U.S. Dollar	0.463	1.	2.187	218.4	5.168	1.994	2.432	1088.	1.193	35.74
Deutschemark	0.212	0.457	1.	99.89	2.365	0.912	1.112	497.8	0.546	16.35
Japanese Yen 1,000	2.121	4.578	10.01	1000.	23.66	9.130	11.13	4983.	5.463	163.8
French Franc 10	0.896	1.935	4.231	422.7	10.	3.859	4.706	2106.	2.309	69.16
Swiss Franc	0.232	0.501	1.096	109.5	2.591	1.	1.220	545.8	0.598	17.92
Dutch Guilder	0.190	0.411	0.899	89.81	2.125	0.820	1.	447.5	0.491	14.70
Italian Lira 1,000	0.426	0.919	2.009	200.7	4.748	1.832	2.235	1000.	1.096	32.84
Canadian Dollar	0.386	0.836	1.832	183.0	4.330	1.671	2.038	912.1	1.	29.95
Belgian Franc 100	1.296	2.798	6.118	611.1	14.46	5.580	6.805	3045.	3.339	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 21)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 1/2	offer 16 5/8	bid 16 1/2	offer 16 5/8

The fixing rates are the arithmetic means, rounded upwards to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12¼-12½	15⅜-15⅝	16-17	10-10⅛	4¾-5¼	11-11½	12¼-12⅜	17-19	17½-20½	4⅝-5⅛
7 days' notice	12⅜-12½	15½-15¾	16-17	10 1/16-10 3/16	4¾-5¼	11¼-11⅞	12¼-12⅝	17½-19	17¾-18¾	4⅞-5⅜
Month	12⅜-12½	15¾-16	17⅜-17¾	10 3/16-10 5/16	8⅜-8 11/16	12¼-12⅝	13-13⅛	18-19	17¼-17¾	6⅛-6¾
Three months	12⅜-12½	16¼-16½	17⅜-17¾	10 7/16-10 9/16	8¾-8⅞	12⅜-12½	13½-13⅜	18½-19½	17¼-17¾	7-7¾
Six months	12¼-12⅜	16¼-16½	16⅞-17¼	10 7/16-10 9/16	9-9⅛	12-12⅜	13⅝-13⅞	19-20	16½-17	7½-7¾
One Year	12¼-12⅜	15⅝-15⅞	16⅛-16⅜	10⅝-10 13/16	8⅝-8½	12⅛-12⅞	13⅝-13¾	19-20	16-16½	7¾-8

SDR linked deposits: one-month 13 5/16-13 11/16 per cent; three-months 13¾-13⅞ per cent; six-months 13 7/16-13 13/16 per cent; one-year 13 5/16-13 7/16 per cent.

ECU linked deposits: one-month 13¼-13½ per cent; three-months 13 9/16-13 11/16 per cent; six-months 13¼-13⅜ per cent; one-year 12 11/16-13 3/16 per cent.

Asian $ (closing rates in Singapore): one-month 16 5/16-16 9/16 per cent; three-months 16 9/16-16 11/16 per cent; six-months 16 7/16-16 11/16 per cent; one-year 16-16¼ per cent. Long-term Eurodollar two-years 15¾-15½ per cent; three-years 15¼-15½ per cent; four-years 15¼-15½ per cent; five-years 15¼-15½ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.70-15.80 per cent; three-months 15.90-16.00 per cent; six-months 15.95-16.05 per cent; one-year 15.30-15.40 per cent.

INTERNATIONAL MONEY MARKET

European rates ease

European short-term interest rates were slightly easier in quiet post-Easter trading. German call money declined to 11.20-11.50 per cent from 11.25-11.55 per cent, slightly below the special Lombard facility, which the Bundesbank announced will remain open today at an unchanged 12 per cent.

One-month money in Frankfurt was quoted at 12.35-12.60 per cent, compared with 12.45-12.60 per cent; three-month at 13.10-13.30 per cent, against 13.15-13.25 per cent; six-month at 12.90-13.10 per cent, compared with 12.95-13.05 per cent; and 12-month at 12.20-12.50 per cent, against 12.30-12.50 per cent.

In Paris call money was unchanged at 12½ per cent.

In Amsterdam call money was quoted at 9¾-10¼ per cent, compared with 10-10¼ per cent; one-month at 10-10¼ per cent, against 10¼-10½ per cent; three-month at 10¼-10½ per cent, against 10⅜-10⅝ per cent; six-month at 10⅜-10⅝ per cent, compared with 10½-10⅝ per cent; and 12-month at 10⅝-10⅞ per cent, compared with 10⅝-10⅞ per cent.

In Brussels the Belgian franc gained ground against the D-Mark and French franc, two of the strongest members of the European Monetary System, despite the cut in Belgium's discount rate before the holiday weekend. Call money was quoted at 17¼-20½ per cent in Brussels yesterday, finishing around 17 per cent, compared with 15¾ per cent on Thursday.

GOLD

Quiet trading

Gold rose $2 an ounce from Thursday's close in the London bullion market yesterday to $483-486. Trading was confined to a narrow range in the absence of any fresh factors and business remained at a low level, a trend likely to remain until the market receives some impetus. Gold opened at $981-484 and was fixed at $481.00 at both fixings.

In Paris the 12½ kilo bar was fixed at FFr 85,950 per kilo ($518.18 per ounce) in the afternoon, compared with FFr 85,500 ($515.36) in the morning and FFr 85,500 ($515.90) on Thursday afternoon.

	April 21		April 16	
Gold Bullion (fine ounce)				
Close	$483-486	(£223¾-225¼)	$481-484	(£223½-224¾)
Opening	$481-484	(£222¾-224¼)	$476-479	(£221¼-222½)
Morning fixing	$481.00	(£222.892)	$481.50	(£223.299)
Afternoon fixing	$481.00	(£222.171)	$482.50	(£224.21)
Gold Coins				
Krugerrand	$499-500	(£231¼-231¾)	$491-498	(£228-229¾)
1/2 Krugerrand	$257½-258½	(£119-119½)	$256½-257½	(£119¼-119¾)
1/4 Krugerrand	$131½-132½	(£61-61½)	$130¾-131¾	(£60½-61)
1/10 Krugerrand	$55½-56½	(£25¾-26¼)	$55-56	(£25½-26)
Mapleleaf	$496-496	(£229¼-229¾)	$483-488	(£224½-225½)
New Sovereigns	$121¼-122¼	(£56-56½)	$121-121¾	(£56¼-56¾)
King Sovereigns	$139-141	(£64½-65¼)	$139-141	(£64½-65½)
Victoria Sovs.	$139-141	(£64½-65¼)	$139-141	(£64½-65½)
French 20s	$180-183	(£83¼-84)	$179-182	(£83-84½)
50 pesos Mexico	$595-600	(£275½-278)	$594-598	(£275-277½)
100 Cor. Austria	$465-470	(£215¼-217½)	$464-468	(£215½-217½)
$20 Eagles	$593-597	(£275½-275)	$590-595	(£274½-276)

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day-to-day credit was in very short supply in the London money market yesterday, and the authorities gave exceptionally large assistance by buying a small amount of Treasury bills, a small number of local authority bills, and a very large amount of eligible bank bills from the discount houses.

Banks brought forward small run down balances, and the market was also faced with the unwinding of a small sale and repurchase agreement, a small excess of revenue payments to the Exchequer over Government disbursements, and a moderate number of maturing commercial bills in official hands.

LONDON MONEY RATES

April 21 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11½-15	—	—	—	—	11¼-12	—	—	—
2 days notice	—	—	11⅞-12⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¼-12⅝	12⅛-12½	—	12¾	12¼	11⅞-12	—	—	—
One month	12⅜-12¼	12¼-12 7/16	12 1/16-12⅜	13⅝-13	12⅝	12¾	11¾-11⅞	11 11/16-11 13/16	11⅝	12¾
Two months	12⅜-12 5/16	12 5/16-12 7/16	—	13½-12¾	12⅝	12¾	11¾	11⅝-11 9/16	11⅝-11½	12½
Three months	12⅝-12½	12¼-12 7/16	12⅛-12¼	12⅞-12½	12⅝	12½	11⅝	11 9/16	11 13/32	12¼
Six months	12 3/16-12 1/16	12⅛-12 5/16	12-12⅛	12½-12¼	12½	12½	—	—	11 11/32	11⅞
Nine months	12 1/16-12 1/16	12⅛-12¼	—	12⅞-12¼	12½	12½	—	—	—	—
One year	12⅛-12	12 1/16-12¼	12⅛-12 1/16	12⅜-12⅛	12½	12½	—	—	—	—
Two years	—	—	12½-12¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12¾-13 per cent; four years 13-13¼ per cent; five years 13-13¼ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-months bank bills 11½ per cent; four-months trade bills 12¾ per cent.

Approximate selling rate for one-month Treasury bills 11⅝-11 23/32 per cent; two-months 11½-11 9/16 per cent; three-months 11½ per cent. Approximate selling rate for one-month bank bills 11 23/32 per cent; two-months 11 9/16-11 19/32 per cent; three-months 11 15/32 per cent; one-month trade bills 12½ per cent; two-months 12¼ per cent and three-months 12 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.2883 per cent.

MONEY RATES

NEW YORK	
Prime Rate	17-17½
Fed. Fund	15¾-16
Treasury Bills (13-week)	13.70
Treasury Bills (26-week)	13.65
GERMANY	
Special Lombard	12.00
Overnight Rate	11.35
One month	12.475
Three months	13.20
Six months	13.00
FRANCE	
Intervention Rate	12.5
Overnight Rate	12.25
One month	12.8375
Three months	13.1875
Six months	13.1875
JAPAN	
Discount Rate	6.25
Call (Unconditional)	7.125
Bill Discount (three-month)	—

TYRE DIVISION RETURNS TO PROFIT

Uniroyal makes strong recovery

BY PAUL BETTS IN NEW YORK

UNIROYAL, the U.S. tyre manufacturer, reported yesterday a sharp turnaround in its first quarter to a net profit of $7.6m from a loss of $11.7m in the same period last year.

This was despite a decline in sales from $580m in the first three months of last year to $541m.

Mr. Joseph Flannery, Uniroyal president, said a significant contribution to the improved first quarter results were the reductions in salaries, wages and benefits. He also noted that the domestic tyre operations had returned to profitability even though the U.S. automobile industry continued to be depressed. He attributed the turnaround to the company's new management and a series of recovery programmes aimed at improving profitability.

In the tyre division, sales dropped from $269m to $245m but operating profit increased *to $13.7m from a loss of $10.1m* as a result of improved plant efficiency, better pricing, and an increase in market share in Uniroyal passenger tyre brand sales in the replacement market.

Operating profit for Uniroyal's chemical, rubber and plastic materials segment dipped to $21.2m from $23.5m a year before because of the recession in Europe and weak pricing for vinyl chloride monomer. The company said it is making the monomer only until the end of 1981, when it will sell the business. Sales were $135m for the segment.

Meanwhile, **Champion Spark Plug** of Toledo, Ohio, said it *expects to report* lower earnings and sales for the first quarter due to the slump in the economy.

It said, however, that full year earnings and sales should rise.

In last year's first quarter Champion earned $16.9m, or 44 cents a share on sales of $224.3m.

For the full year 1980 earnings were $36.9m or 96 cents a share and sales $799.5m.

Mr. R. A. Stranahan, chairman, said the Anco windscreen wipers subsidiary had a difficult year in 1980 but has had significant improvements in sales so far this year, both in the U.S. and Europe.

He said Champion's Devilbiss division has also had substantial gains this year over 1980.

Devilbiss acquired manufacturing rights for industrial robots late last year and Mr. Stranahan said "the potential growth in this phase of the business is so great that it cannot be accurately quantified at this time."

Citicorp earnings ahead to $92m

By Our Financial Staff

CITICORP, holding company for Citibank, the second largest U.S. bank, increased net operating profits from *$83m to $97m in its first* quarter, despite a 13 per cent decline in net interest earnings. Per share profits were 77 cents against 67 cents.

The bank said that although interest rates declined from late 1980 levels in the first quarter, net interest revenues dropped to $506m from $581m, reflecting a narrowing of the spread between interest earned on assets and the cost of funds.

Non-interest revenue, which comes from trading profits and various fees for financial services, rose to $393m before taxes from $211m in the 1980 first quarter.

The bank also said that regulatory relief on consumer pricing also began to be felt in the quarter. In 1980 Citicorp suffered an earnings decline from $4.36 a share to $4.08, largely because of losses in its consumer bank division.

After allowing for securities transactions Citicorp's net profit was $92m against $77m. At the end of the quarter total assets were $117bn against $108bn.

● A consortium of major U.S. banks has renewed a $1bn credit line to First Pennsylvania Corporation, the U.S. bank holding company saved from financial collapse last spring.

Mr. George Butler, chairman of First Pennsylvania, said the new extension was for one year. The credit line was originally extended last May as part of a $1.5bn rescue package for the company.

Amex and Shearson aim for one-stop service

BY DAVID LASCELLES IN NEW YORK

BUYING STOCKS and shares with American Express cards? This is just one of a string of possibilities opened up by the merger between American Express and Shearson Loeb *Rhoades — a union that creates* a new kind of financial conglomerate that could send shock waves through not just Wall Street, but round the world.

The new entity will have a finger in almost every conceivable financial pie from banking and insurance to mortgage finance and stockbroking, and will be able to offer an unmatched range of financial services in more than 100 countries.

Coming hot on the heels of last month's $385m Prudential-Bache deal, it exemplifies the shake-up that is taking place on Wall Street, but the ramifications of Amex-Shearson are *much greater.* While American Express, like the Pru, is basically an insurance company, albeit a glorified one — its Fireman's Fund subsidiary accounted for 55 per cent of earnings last year — it is in businesses that extend well beyond the credit cards and travellers' cheques which have made it a household name. It runs an investment bank, it has a joint cable TV venture with Warner Communications, and it owns a string of smaller businesses, including Mitchell Beazley, the London publishing company, acquired last year. It also runs one of the world's largest travel agencies, with *offices in 126 countries.*

By the same token, Shearson Loeb Rhoades is nearly twice the size of Bache and ranks as the second largest firm on Wall Street after Merrill Lynch, a position it reached only last year as a result of aggressive expansion and acquisition under its chief executive, Mr. Sanford Weill.

Apart from marketing the traditional range of Wall Street services such as stocks, bonds, commodities, options and other financial investments, it also ventured into merchant banking, mortgages, investment management and insurance and financial planning.

As well as an extensive U.S. *network, Shearson has more* than 40 offices in about 20 countries.

American Express was driven toward the merger by a number of factors.

With nearly 11m cardholders (more than twice its nearest rival) and 60 per cent of the world travellers cheque market, its position might seem unassailable. But Amex has for some time been concerned about the course of its strategic development, and has tried several new areas, not always successfully.

It *suffered an ignominious* defeat in 1979 when McGraw-Hill, the large New York publishers, rebuffed its $830m takeover bid. It has since made more publishing acquisitions and moved into television.

But financial services have been its basic goal ever since powerful new competitors first began to challenge its supremacy in credit cards and travellers cheques. In Europe, groups of banks are banding together to promote new services of their own, such as Eurocard. In the U.S., Master card and Citibank have launched an assault on the travellers cheque market, and most recently Citibank married the Carte Blanche and Diners Club names for what is expected to be the most powerful challenge yet to the American Express Card.

Amex and Shearson first came together with an idea to market a cash management account, of the kind successfully pioneered in the late 1970s by Merrill Lynch. These accounts *offer stockbroking services,* a money market fund and a Visa credit card rolled into one. Although Merrill requires a minimum initial investment of $20,000, it has attracted more than 250,000 accounts.

> Merger of American Express and Shearson Loeb Rhoades, the Wall Street broker, will enable them to offer worldwide an unrivalled range of financial services. But U.S. commercial banks are increasingly angry about laws barring them from similar marriages.

The appeal for both Amex and Shearson is obvious, but the two companies found while *discussing their plans that their* joint interests extended well beyond brokerage and credit accounts, and the logic of bringing together all their financial expertise and marketing strength must have been compelling.

Shearson will remain an independent subsidiary of American Express. But as yesterday's announcement made clear, the financial services they offer will be rolled into one, creating a one-stop company able to provide almost any financial service outside retail banking.

While the deal is bound to reinforce a new trend in Wall Street as other financial service companies rush to pool their talents, it is bound to infuriate the large commercial banks which are barred by law from entering most other forms of business. The reaction among these banks yesterday was one of "Why can't we do this too?" Demands for Congressional review of the present legal barriers could well follow, but even without legal changes, the Amex-Shearson deal shows the kind of new financial creatures which are already possible.

Agreement on $80m A & P bid

By Our Financial Staff

GREAT ATLANTIC and Pacific Tea Company (A&P), the U.S. supermarket group controlled by Tengelmann of West Germany, has reached agreement to take over Niagara Frontier Services, an upstate New York food retailer for around $80m.

A&P is proposing to offer $40 in debentures and notes for each of the roughly 2.1m Niagara shares. The notes will be secured by a letter of credit from a major bank and will bear interest at 12 per cent for seven years. A&P has also offered to pay $38 in cash for up to 25 per cent of the shares.

Niagara operates 63 stores in an area from which A&P had withdrawn in an earlier restructuring plan designed to bring it back to profitability. Under its new chairman, Mr. James Wood, who moved in last year as Tengelmann strengthened its control, A&P has reversed its strategy with some new store openings allied with attempts to get problem areas back to profits.

For the first half of its current financial year Niagara's net earnings came to $4.1m on sales of $278.6m. A&P, meanwhile, increased its loss last year from $3.8m to $43m on sales ahead to $6.99bn from $6.68bn. However, it reported an "encouraging" upturn in sales in its final quarter. Sales rose 13 per cent to $1.89bn in the quarter.

In announcing the loss for 1980 Mr. Wood said the company was not expected to be in profit until 1983, but noted that it was without short-term debt and in a sound financial condition.

Philip Morris result

Per share earnings at Philip Morris in 1980 was $4.63 a share, not the $4.08 reported last Thursday. Also, the forecast of profits of around $4.80 a share for the current year related to the previous year.

St. Joe down in first quarter

BY OUR FINANCIAL STAFF

ST. JOE Minerals Corporation, the base metals and coal producer which has agreed to a $2.73bn takeover by Fluor Corporation, the process plant engineer, saw net operating profits fall from $35.5m to $30.9m in the first quarter of the current year.

Revenues for the period dropped more sharply, however, from $325.1m to $229.3m. Operating earnings per share were 68 cents against 79 cents.

Results exclude the $336.3m pre-tax gain from the sale of CanDel Oil, its Canadian oil and gas exploration and development unit, which it disposed of as part of its defence against an unwelcome $2bn offer from Seagram Company, the Canadian distillery and wine group which opened the bidding for St. Joe.

CanDel was sold to Sulpetro, a Canadian group connected with Consolidated Bathurst, for $450m, and the pre-tax gain includes the cost of the defence against Seagram's bid.

St. Joe said that profits from its domestic metals operations were down in the quarter, mainly because of lower lead prices. It said the drop in sales was attributable to the inclusion of only 50 per cent of profits of A. T. Massey, its coal offshoot, which last year had been 100 per cent owned until the sale of a half share to the Royal Dutch/Shell group.

Massey's total operating profit in the period was up 63 per cent because of a 20 per cent increase in sales volumes, and improved prices

Sharp gains continue at Nabisco

BY OUR FINANCIAL STAFF

NABISCO, the largest U.S. biscuit maker, has continued the strong growth in profits achieved in 1980 into the first quarter of the current year.

On sales ahead by 8.65 per cent from $605.8m to $658.2m, the company increased net profits by 31.6 per cent from $26.1m to $34.35m. For all of last year Nabisco managed a 28 per cent rise in profits from $99.8m to $127.8m.

Per share earnings for the quarter came out at $1.06 against 81 cents last time, when there was a 9 cent a share write-down.

Nabisco said its U.S. food operations showed particularly *sharp gains in the period,* but added that sales and earnings of its household accessories operations were lower, reflecting the general weakness in the housing market.

The company also said its international food operations had improved sales and earnings and that it planned to invest more than $200m internationally over the next five years to further improve productivity. The company wins about 25 per cent of sales from its international food operations and about 15 per cent of profits come from that source.

The company, which has cereals, pet food and frozen foods among its non-biscuit interests, is optimistic that the full year will produce "excellent" results.

Downturn at Bausch & Lomb

BY OUR FINANCIAL STAFF

BAUSCH AND LOMB, the leading U.S. manufacturer of spectacles, other optical goods and scientific instruments, has suffered a fall in profits for the opening quarter of the year and is downgrading its forecast for the full year.

Operating net for the first quarter shows a fall of 6 per cent to $10.4m or 87 cents a share, before a non-recurring charge of $9.7m or 81 cents a share in connection with a further restructuring of Bausch's domestic and international ophthalmic products business. Sales gained 7 per cent to $143.7m.

Bausch said: "While general economic conditions remain uncertain, the company still expects good overall results for 1981, but we now think the company's rate of earnings growth excluding non-recurring items will probably be below the 20 per cent gain previously estimated."

In the ophthalmic products business, the non-recurring charges include disposition of about 30 ophthalmic laboratories in the U.S. and abroad, the discontinuance of eyeglass frame manufacture in West Germany and increased costs associated with the consolidation begun in 1980, of ophthalmic glass lens production into the company's lens plant in Oakland, Maryland.

D-Mark bond for World Bank expected

By Francis Ghilès

A *10-YEAR foreign bond for* DM 150m-200m is expected to be launched for the World Bank by Deutsche Bank today. The indicated coupon should be 10 per cent and the issue will be offered at a slight discount.

Last week, a planned DM 100m offering for Norges Kommunalbank failed to reach the market after a disagreement between the lead manager, Westdeutsche Landesbank and the borrower who felt that a two digit coupon was too high a price to pay. Norges Kommunalbank will decide next week whether it wants to raise a bond in another currency, or sit tight for the time being.

All major sectors of the Eurobond market were quiet yesterday with some dealers claiming in the dollar sector that they had not booked a transaction during the day. New York opened weaker, *however, and straight dollar* bonds lost on average ½ points on the day.

D-Mark bonds advanced by about ¼ points while Swiss franc foreign bonds lost a point on the day.

The Japan Development Bank is to issue Swiss franc bonds totalling SwFr 100m, *with a maturity of 10 years* and subscriptions to be placed by April 29. Details of coupon and issue price will be announced tomorrow. The issue is being arranged by Swiss Bank Corporation.

The European Atomic Energy Commission, Euratom, is arranging a Fl 150m *seven-year private placement* through Algemene Bank Nederland which carries a coupon of 11½ per cent and a price of 99½ per cent.

Strikes and poor demand for timber hurt Abitibi

BY OUR MONTREAL CORRESPONDENT

ABITIBI-PRICE of Toronto, the world's largest newsprint producer, had lower earnings in the first quarter of 1981 in line with most other companies in *the Canadian forest products* industry.

Profits were C$28m (U.S.$23.4m) or S$1.33 a share against C$34.6m, or S$1.70 a year earlier, on sales of C$413m against C$392m. The decline was caused by strikes at several Abitibi mills, but labour contracts have now been settled for about two years.

The company is now owned by Olympia and York Developments, the real estate and resource group controlled by the Reichmann family of Toronto.

Pulp and paper operations will be running at full capacity in the second quarter, but lumber will remain affected by the low level of North American housing starts. Later in the year, the company will be feeling the benefits of higher prices for newsprint. The basic New York price rises to U.S.$500 per tonne early this summer.

Earnings from mining operations owned jointly with Noranda Mines may be depressed this year by low metal prices.

Alcan to study feasibility of smelter in Manitoba

BY ROBERT GIBBENS IN MONTREAL

ALCAN ALUMINIUM is going ahead with a full feasibility study for a 200,000 tonnes smelter to be located within 30 miles of Winnipeg, Manitoba. The cost of the smelter would be around US$1bn.

Manitoba at present has a surplus of hydro-electric power from the Nelson River and the lowest industrial power rates in Canada.

The alumina raw material for the smelter would be drawn from one of several points in the Alcan world system, and the transportation cost to Manitoba would be offset by lower power costs there.

The market for the ingot would be the industrial area of the U.S. Mid-West, primarily to third-party customers. Transportation facilities are good and the distance relatively short.

The full feasibility study will cost around $5m on all economic and technical aspects, including power sources. Alcan *could buy into an existing* hydro-electric plant in Manitoba or enter a joint-venture with Manitoba Hydro for new hydro facilities. The earliest date for construction to begin would be 1983-84.

Alcan is very optimistic that the full feasibility study will show that the project would be justified.

The company has a C$500m (U.S.$420m) modernisation and expansion project nearing completion in Quebec.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday, May 13.

Closing prices on April 21

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amer. Air 15¾ 86 (WW)	55	100¼	100¾	+1	+0⅛	15.08
Amoco 13¼ 88	75	94¼	94¾	−0¼	−0⅛	14.57
CIBC 14½ 84	185	99⅛	99⅜	−0¼	−0½	14.75
CNE 12¾ 91	100	90⅛	90⅝	−0⅛	−0⅜	14.60
Citicorp O/S Fin. 10 86	300	83½	84¼	−0½	−0½	14.57
Citicorp O/S Fin. 12 87	200	89½	90	−0⅛	−0⅛	14.49
Con. Illinois O/S 9¾ 86	150	81⅞	82⅜	+0⅛	−0⅛	14.90
Dupont Canada 13½ 91	65	93⅞	94⅜	0	−0⅛	14.64
EEC 11 95 (May)	75	80½	81	+0⅛	−0⅛	14.23
EEC 11 95 (August)	70	78¼	79½	−0⅛	−0⅛	14.57
EIB 12¾ 88	75	90½	91	−0½	−0⅜	14.80
Eldorado 13¾ 86	50	94¼	94¾	−1⅛	0	14.92
Elec. de France 10 88	125	80⅛	80⅝	−1½	0	14.55
Elec. de France 13 88	125	93⅜	93⅞	−0⅛	−0⅛	14.50
Export Dv. Cpn. 9½ 86	150	82¼	82¾	−1⅛	+0⅛	14.87
Fed. Bs. D. 12¾ 85 (N)	50	92⅛	92⅝	−1⅛	−1⅛	14.69
Fin. Exp. Credit 10½ 85	50	85½	86	−0⅜	−0⅛	15.31
Finland, Rep. of 9½ 86	100	81½	82	−0⅛	+0⅛	15.00
Ford Credit O/S 14¾ 83	150	99¼	99¾	0	0	15.24
Ford Cr. O/S Fin. 16 84	150	101⅝	102⅛	−0⅜	−0⅛	15.08
Gaz de France 13½ 86	60	96⅞	97⅜	−0⅛	+0⅛	14.32
GMAC O/S Fin. 12 87	100	88	88½	+0⅛	0	14.91
GMAC O/S Fin 12⅞ 88	100	90⅞	91⅜	−0⅛	0	15.05
Gen. Mtrs. O/S 11⅜ 87	100	87⅛	87⅝	−1	−0⅛	14.83
Genstar 14¾ 91	50	97¼	97¾	0	+0⅛	15.28
GTE Fin 13¾ 86 (WW)	50	97⅛	97⅝	−0⅛	−0⅛	14.48
Hudson's Bay 11½ 90	75	83⅛	83⅝	−0½	−0⅛	14.92
IBM Wld. Trade 12½ 83	200	94	94½	−0⅛	−0⅛	13.83
Newfoundland 13½ 90	60	94	94½	+0⅛	+0⅛	14.67
Nova Scotia 10⅝ 90	50	†80⅝	81⅛	+0⅛	0	14.63
OKB 10 85	50	86⅞	87⅜	+0½	+0⅛	14.30
Ontario Hydro 13½ 91	100	93⅞	94⅜	−1⅛	−0⅛	14.66
Quebec Hydro 11½ 92	100	82⅞	83⅜	0	0	14.69
Queb. Hy. 13 91 (WW)	100	90⅛	90⅝	−0⅛	−0⅛	14.86
Redlease 11⅜ 85	50	89½	90	−0⅛	−0⅛	14.69
SNCF 12⅞ 85	50	94	94½	−0⅛	−0⅛	14.32
SNCF 13 91	75	92¼	92¾	+0⅛	0	14.45
Sth. California Ed. 14 87	50	97	97½	+0⅛	0	14.71
Sven Handelsbk. 13⅞ 88	45	94⅜	94⅞	−0⅛	+0⅛	15.04
Sweden 12⅞ 85	150	91⅞	92⅜	−1⅛	−0⅛	14.87
Swed. Ex. Credit 12 83	50	96¼	96¾	+0⅛	0	14.73
Swed. Ex. Credit 13 86	75	92⅞	93⅜	+0⅛	−0⅛	15.16
Tribune O/S Fin. 14 86	50	97	97½	−0⅛	+0⅛	14.80
World Bank 9⅞ 85	200	86	86½	−0⅛	−0⅛	14.34
World Bank 10¾ 87	300	83¾	83¾	+0⅛	−0⅛	14.49

Average price changes... On day −0⅛ on week −0⅛

[illegible]

AMERICAN QUARTERLIES

ACME-CLEVELAND

Second quarter	1980-81 $	1979-80 $
Revenue	108.0m	111.1m
Net profits	4.77m	4.83m
Net per share	1.06	1.13

ALBERTO-CULVER

Second quarter	1980-81 $	1979-80 $
Revenue	72.7m	57.2m
Net profits	1.43m	1.14m
Net per share	0.39	0.28

AMERICAN CYANAMID

First quarter	1981 $	1980 $
Revenue	887.9m	850.0m
Net profits	47.1m	39.0m
Net per share	0.98	0.79

AMERICAN ELECTRIC

First quarter	1981 $	1980 $
Net profits	93.4m	116.1m
Net per share	0.57	0.81

AMERICAN HOME PRODUCTS

First quarter	1981 $	1980 $
Revenue	1.13bn	1.02bn
Net profits	127.5m	112.3m
Net per share	0.81	0.72

C. R. BARD

First quarter	1981 $	1980 $
Revenue	81.7m	52.3m
Net profits	5.29m	3.63m
Net per share	0.54	0.47

BECKMAN INSTRUMENTS

Third quarter	1980-81 $	1979-80 $
Revenue	135.4m	141.1m
Net profits	6.53m	8.26m
Net per share	0.43	0.41

BIG THREE INDUSTRIES

First quarter	1981 $	1980 $
Revenue	138.7m	132.9m
Net profits	25.1m	20.4m
Net per share	0.62	0.45

BRUSH WELLMAN

First quarter	1981 $	1980 $
Revenue	42.7m	43.9m
Net profits	4.55m	5.34m
Net per share	0.73	0.35

BURLINGTON INDUSTRIES

Second quarter	1980-81 $	1979-80 $
Revenue	729.3m	731.4m
Net profits	27.52m	23.35m
Net per share	0.95	1.05

BURLINGTON NORTHERN

First quarter	1981 $	1980 $
Revenue	1.02bn	913.0m
Net profits	90.2m	76.4m
Net per share	2.32	2.84

CARLISLE CORP.

First quarter	1981 $	1980 $
Revenue	107.0m	111.9m
Net profits	8.3m	6.3m
Net per share	0.90	0.68

CONTINENTAL GROUP

First quarter	1981 $	1980 $
Revenue	1.29bn	1.28bn
Net profits	57.3m	57.2m
Net per share	1.57	1.58

CONTINENTAL TELEPHONE

First quarter	1981 $	1980 $
Revenue	342.6m	293.3m
Net profits	37.0m	27.3m
Net per share	0.52	0.46

DILLON COMPANIES

Third quarter	1980-81 $	1979-80 $
Revenue	601.4m	519.4m
Net profits	10.63m	8.0m
Net per share	0.63	0.47

DUN & BRADSTREET

First quarter	1981 $	1980 $
Revenue	315.2m	262.5m
Net profits	26.52m	22.06m
Net per share	0.95	0.80

GEORGIA-PACIFIC

First quarter	1981 $	1980 $
Revenue	[illegible]	[illegible]
Net profits	[illegible]	[illegible]
Net per share	[illegible]	0.48

HUGHES TOOL

First quarter	1981 $	1980 $
Revenue	359.5m	229.2m
Net profits	[illegible]	[illegible]
Net per share	1.90	[illegible]

IC INDUSTRIES

First quarter	1981 $	1980 $
Revenue	1.01bn	972.8m
Net profits	[illegible]	[illegible]
Net per share	1.75	[illegible]

KIDDE

First quarter	1981 $	1980 $
Revenue	[illegible]	[illegible]
Net profits	[illegible]	[illegible]
Net per share	[illegible]	[illegible]

KNIGHT-RIDDER

First quarter	1981 $	1980 $
Revenue	210.9m	[illegible]
Net profits	[illegible]	[illegible]
Net per share	0.54	[illegible]

McGRAW-HILL

First quarter	1981 $	1980 $
Revenue	[illegible]	[illegible]
Net profits	[illegible]	[illegible]
Net per share	[illegible]	[illegible]

MERCK

First quarter	1981 $	1980 $
Revenue	[illegible]	[illegible]
Net profits	[illegible]	[illegible]
Net per share	[illegible]	[illegible]

N.Y. STATE ELECTRIC

First quarter	1981 $	1980 $
Revenue	[illegible]	[illegible]
Net profits	[illegible]	[illegible]

NORTHWEST BANCORP

First quarter	1981 $	1980 $
Net profits	28.7m	27.1m
Net per share	1.10	1.05

PENN CENTRAL

First quarter	1981 $	1980 $
Revenue	621.9m	424.1m
Net profits	30.7m	17.7m
Net per share	1.07	0.73

PFIZER

First quarter	1981 $	1980 $
Revenue	819.2m	[illegible]
Net profits	72.1m	63.2m
Net per share	0.95	0.83

POLAROID

First quarter	1981 $	1980 $
Revenue	[illegible]	308.7m
Net profits	[illegible]	[illegible]
Net per share	0.29	0.33

RCA

First quarter	1981 $	1980 $
Revenue	[illegible]	[illegible]
Net profits	41.9m	78.7m
Net per share	0.33	0.87

SCM

Third quarter	1980-81 $	1979-80 $
Revenue	[illegible]	[illegible]
Net profits	6.06m	10.54m
Net per share	0.53	1.08

SQUARE D

First quarter	1981 $	1980 $
Revenue	247.1m	[illegible]
Net per share	0.80	0.72
Net profits	21.5m	19.8m

TEXAS INSTRUMENTS

First quarter	1981 $	1980 $
Revenue	1.06bn	354.6m
Net profits	34.2m	57.2m
Net per share	1.47	2.29

TIME INC.

First quarter	1981 $	1980 $
Revenue	743.6m	662.2m
Net profits	25.3m	28.31m
Net per share	0.90	1.00

TRANSAMERICA

First quarter	1981 $	1980 $
Revenue	1.1bn	1.05bn
Net profits	57.52m	57.05m
Net per share	0.88	0.87

TRANS WORLD CORP.

First quarter	1981 $	1980 $
Revenue	1.15bn	1.08bn
Net profits	†37.5m	†49.3m
Net per share	†3.75	†3.40

† Loss

TRW

First quarter	1981 $	1980 $
Revenue	1.29bn	1.22bn
Net profits	55.0m	47.9m
Net per share	1.60	1.47

U.S. AIR

First quarter	1981 $	1980 $
Revenue	252.0m	211.4m
Net profits	6.2m	5.1m
Net per share	0.37	0.32

U.S. GYPSUM

First quarter	1981 $	1980 $
Revenue	371.5m	375.2m
Net profits	16.8m	25.6m
Net per share	1.01	1.57

WARNER COMMUNICATIONS

First quarter	1981 $	1980 $
Net profits	49.32m	35.02m
Net per share	0.81	0.62

WEYERHAEUSER

First quarter	1981 $	1980 $
Revenue	1.1bn	1.15bn
Net profits	57.0m	110.38m
Net per share	0.43	0.85

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The Morgan Bank

EUROPEAN RECESSION SLOWS RECOVERY

Akzo forecasts modest profit

BY CHARLES BATCHELOR IN AMSTERDAM

AKZO, the Dutch chemicals group, hopes to make a "modest profit" this year after falling back into the red in 1980 because of the poor performances of its fibres division.

The Fl 400m ($166m) restructuring of Enka, the fibres division, announced in January, will have no noticeable impact this year on the results and the group's European chemical fibres activities will make another loss. *But the fibres division of* Akzona, Akzo's U.S. subsidiary, will be profitable, the company said in its annual report.

Akzo reported a slight upturn in business in the U.S. in the first few months of 1981 but said it was continuing to suffer from the recession in Western Europe. No recovery is expected in Europe until the second half of the year at the earliest, it stated.

The chemical products division, in particular bulk chemicals, is under pressure, but Akzo expects that this product group will make a "*reasonable contribution*" to profits this year. The result of the coatings division will probably be lower after the favourable performance of 1979 and 1980.

The pharmaceutical, consumer and other products division should show a profit around the 1980 level.

Akzo made a net loss of Fl 70m ($29m) in 1980—slightly higher than the Fl 68m reported earlier—compared with a profit of Fl 230m the year before. The operating result fell 40 per cent to Fl 416m on sales which were 4 per cent higher at Fl 12.45bn ($5.16bn). Costs rose 6 per cent to Fl 12.04bn.

The company's net interest charge was barely changed at Fl 261m while the tax bill fell to Fl 48m from Fl 136m. Akzo's share in the results of minority holdings more than doubled to Fl 72m.

Group profit before extraordinary items—mainly the cost of restructuring the fibres division—fell 45 per cent to Fl 179m. After extraordinary items of Fl 246m (Fl 60m in 1979) and Fl 3m (Fl 36m) to meet the share of third parties in group profits, the group made a loss of Fl 70m.

A breakdown of operating profits by division showed a loss of Fl 170m for chemical fibres against a profit of Fl 74m in 1979. The operating profit on chemical products fell 28 per cent to Fl 183m while profit on "other products" fell 12 per cent to Fl 116m.

All other product divisions increased their profits. Coatings raised profits by 12 per cent to Fl 110m, pharmaceutical products by 8 per cent to Fl 145m and consumer products by 29 per cent to Fl 40m. The pharmaceutical division was the most profitable, showing an 11 per cent return on sales.

The 4 per cent rise in 1980 cash sales was achieved on a 3 per cent decline in volume. Sales prices rose 9 per cent while the conversion of foreign subsidiaries' sales into guilders had a negative impact of 2 per cent.

Operating profit in the EEC fell 48 per cent last year to Fl 229m, while North American profits were more than halved *to Fl 45m from* Fl 113m. *Profits* in the rest of the world rose 33 per cent to Fl 105m, largely due to an improvement in Brazil.

Investment in fixed assets rose 40 per cent to Fl 645m last year and Akzo expects to maintain spending around this level in 1981. Research and development spending rose 12 per cent to Fl 515m.

Akzo does not propose to pay a dividend for 1980 after paying Fl 2.40 per Fl 20 nominal share the year before.

Sharp earnings fall at UCB

By Giles Merritt in Brussels

UCB, the major Belgian chemicals, pharmaceuticals and film group, intends to pay the *same BFr 140 a share* net dividend for 1980 as the year before, in spite of a serious drop in net earnings.

After-tax profits for the year dipped to BFr 219m ($6.1m) from the BFr 330m level achieved in 1979, while the group's sales increased by 13 per cent over the previous year to reach BFr 22.99bn.

UCB made it clear, however, that the 1980 profits stemmed exclusively from a profitable first quarter.

The group's pharmaceuticals division last year made a net profit of BFr 412m, compared with 1979 earnings of BFr 234m. Against that, however, the 1980 losses of the chemicals and film operations reached BFr 43m and BFr 197m respectively.

Bilfinger lifts overseas orders

BY KEVIN DONE IN FRANKFURT

BILFINGER UND BERGER, the third largest construction group in West Germany, is intensifying its pursuit of overseas contracts to compensate for the declining demand in the domestic market.

New orders from the West German market fell in value by 8.7 per cent to DM 1.07bn ($487m) last year compared with DM 1.7bn in 1979.

Several large orders were won overseas, however, which *boosted substantially the value* of the overall order book to just over DM 6bn at the end of 1980. Overseas orders booked last year totalled DM 4.73bn compared with DM 1.44bn in 1979.

By the end of March this year Bilfinger und Berger had pushed the value of its total order book to DM 6.84bn of which some DM 5.8bn was accounted for by orders from outside West Germany.

In a letter to shareholders, Bilfinger und Berger warn that the construction industry must reckon for the foreseeable future with a domestic market marked by declining activity, under-used capacity and increasingly stiff competion.

"The big public sector budget deficits, the high interest rate policy of the Bundesbank (the West German central bank), and the continuing obstacles in the way of increased investment in energy projects appear to rule out an early improvement in the economy," says the company.

This outlook is forcing the concern increasingly to look abroad for future orders. Its latest success was the booking earlier this month of a DM 1bn order from Iraq for the construction of 112 km stretch of the Baghdad to Basrah motorway.

Bilfinger und Berger's total building activity last year was worth DM 2.44 bn, an increase of 6 per cent over 1979. The increase was due solely to the high level of activity in the home market in the first months of 1980 which boosted home construction activity by 13.6 per cent to DM 1.11bn.

The big surge in foreign orders over the last year is still to show up in the group's turnover and foreign building activity was stagnant at DM 1.33bn, accounting for some 54.5 per cent of the total.

The switch of emphasis to overseas is reflected in Bilfinger and Berger's workforce. Of the total of 23,970 some 16,930 are employed abroad.

Increasing foreign activities are also forcing a major rise in investment spending—up to DM 200.8m last year against DM 97m in 1979 — as Bilfinger und Berger modernises and expands its foreign-based construction equipment.

Profitability was good in 1980, says the shareholders' letters, but no details are given. Group turnover will be up sharply this year because of foreign activities, but the high level reached domestically last year will not be repeated.

Greek bank pays more

By Victor Walker in Athens

THE NATIONAL Bank of Greece, the country's largest commercial bank, is to pay a dividend of 700 drachmas a share, against 550 drachmas last year for the 1979 results. The bank said that in view of the issue of new shares, capital to be distributed to shareholders this year would increase by 50 per cent.

Net distributable profits for the 1980 financial year were 2.35bn drachmas ($44.26m) to be distributed among 3.36m shares. This compared with 1.54bn drachmas distributed *among 2.80m shares last year.*

Alfa-Laval pins hopes on energy and food sectors

BY WILLIAM DULLFORCE IN STOCKHOLM

ALFA-LAVAL, the Swedish agricultural and process engineering group, expects to maintain earnings at the 1980 level this year. The weakening expected in its farm equipment business, partly as a result of measures taken within the Common Market to cut farm surpluses, should be offset by gains on the energy and foodstuff processing side, Mr. Harry Faulkner, the new managing director, says in the shareholders' report.

Last year the group turned in *pre-tax earnings of SKr 477m* ($101m), ahead by 22 per cent, on a SKr 6.54bn ($1.4bn) turnover, of which about 85 per cent was effected outside Sweden.

The *directors propose to raise* the dividend by SKr 1.20 to SKr 6 a share. Dividend growth averaged 10 per cent a year in the 1970s, Mr. Faulkner said. The directors recognised the desirability of stimulating interest in Alfa-Laval shares by a "competitive dividend policy."

The adjusted pre-tax return last year was SKr 22.90 a share, against SKr 18.80 in 1979. The return on equity improved from 10.3 per cent to 11.4 per cent after tax, and the pre-tax return on total capital employed advanced from 12.3 per cent to 14 per cent.

But Mr. Faulkner is not satisfied. The improvement in profitability was "not quite what we had anticipated," mainly because of an unfavourable development in stocks. Earnings of around SKr 475m were "a lot of money but still insufficient in view of the large *amount of capital tied up in the* company."

Mr. Faulkner is aiming for a return on total capital averaging at least 15 per cent through a business cycle with unchanged equity ratio. Outside consultants were called in last year to help in "far-reaching strategic planning" by the top management.

Of Alfa-Laval's competitors, none covered such a wide range of business and their concentration on specific fields made them "even more worthy of respect." Westfalia, the West German *concern which competes with* Alfa-Laval in separators and milking machines, had been favoured by the decline in the value of the D-Mark, Mr. Faulkner notes, while APV, the UK company competing in foodstuffs and process equipment, had had to struggle with a strong sterling rate and high domestic inflation.

Another loss for Saurer

By John Wicks in Zurich

THE SWISS engineering concern, Adolph Saurer, of Arbon, whose operations have been running at a loss since 1977, booked a further deficit of SwFr 3.76m ($1.89m) for 1980 and again is to omit a dividend payment. An accumulated net loss of SwFr 10.64m is carried forward. The net deficit in 1979 was SwFr 7.46m with actual operating losses of SwFr 22.5m.

The 1980 loss was due solely to operations in the commercial vehicle sector—the textile machinery and other divisions worked at a profit. However, the *company believes that an* agreement reached last year with Iveco, the Fiat lorry subsidiary, will provide the basis for a long-term improvement in this sector.

Strong advance at Jeumont

By Our Paris Staff

CONSOLIDATED turnover of Jeumont-Schneider, the electrical engineering subsidiary of the French Empain-Schneider group, rose by 39 per cent to FFr 4.7bn ($959m) last year.

Net profits also went up *sharply from FFr 20.9m in 1979* to FFr 52.3m. This figure was struck after allowing for a big increase in the tax provision from FFr 25.5m to FFr 68.5m.

Jeumont-Schneider is one of the more buoyant divisions of the rambling Empain-Schneider group, which is now being reorganised and pruned back following the emergence of the *Paribas bank* as its main shareholder. It is expected that the reconstruction will give Jeumont a major role to play in the future.

The company *says that orders* last year went up by 20 per cent to FFr 5.2bn, while it is aiming to push up its investment this year with an expenditure or around FFr 230m.

Japanese raise spending

TOKYO — Japanese industries plan to increase capital spending in the 1981-82 financial year, which started April 1, by an average of 9.4 per cent. This *compares with an estimated rise* of 21.6 per cent in 1980-81, the Nippon Credit Bank says.

A survey in early March of 1,017 corporations, indicated that manufacturing sector capital outlays would increase by 8.5 per cent, against an estimated 24.9 per cent last year, while non-manufacturing sector capital outlays would be up 9.8 per cent, against 20 per cent.

Steel manufacturers capital spending which has maintained a slow growth rate for the past four years, plan a 34.6 per cent *increase, according* to the report.

Capital spending is seen as rising by 9.5 per cent among vehicle manufacturers and by 16 per cent among electrical machinery manufacturers. In the non-manufacturing sector, electric power companies plans show a 9.4 per cent rise.
Reuter

Alcatel in electronics venture

BY TERRY DODSWORTH IN PARIS

THE FRENCH plans for the PTT (Post Office) to replace paper telephone directories with an electronic system have moved forward substantially with the decision to put the pilot project entirely in the hands of Alcatel Electronique, the electronics subsidiary of the Cie Générale d'Eléctricité (CGE) group.

Four concerns have been competing to provide the keyboard display equipment to the Post Office but barring last minute problems in the negotiations, Alcatel will receive the contract to supply the 300,000 test units designed to go into service next year.

The development of the electronic directory is one of the most important strategic projects of the French telecommunications industry. By encouraging investment in this technology, the authorities hope to give a boost to the country's infant micro-processing industry, while establishing a group of companies capable of competing internationally in the information processing business.

In the last few weeks, several business information equipment contracts have already been won by French companies with systems based on their electronic directories. These include three deals in the U.S. *for Alcatel and two of its* rivals, Thomson-CSF and Matra, and a further deal for Matra in Brazil.

After initial trials which showed that many ordinary telephone subscribers found it difficult to work an electronic system, there has been some scepticism in France about the project. But the companies have been encouraged to go ahead with their investment by the lure of substantial government orders. From today to 1992, the French market alone could amount to 34m units, at a price of FFr 50 (C$96.81) each.

The decision to concentrate on Alcatel's equipment in the pilot project is, however, likely to cause some annoyance. Originally, the Post Office indicated that it would like to choose at least two manufacturers to supply trial equipment out of the four who were encouraged to design the equipment.

Delay on Shell Australia coal plans

BY OUR SYDNEY CORRESPONDENT

THE AUSTRALIAN Government's Foreign Investment Review Board has placed a 90-day freeze on Shell Australia's attempt to buy into two Queensland coal projects controlled by CSR the sugar, mining and industrial group.

The FIRB freeze places an unexpected obstacle in the way of Shell's ambitions to take a strong position in steaming coal.

Shell, controlled by Royal Dutch Shell, acquired its right to buy a stake in the two coal areas, Callide and Theodore, plus another coal project at Drayton, late in 1979 when it sold its 15.8 per cent stake in Thiess Holdings to CSR.

The sale gave CSR the upper hand in the battle for control of Thiess. Thiess challenged the Shell sale in the courts, charging that Shell's acquisition of the right to take an interest in the coal areas constituted a special consideration which was not afforded to other Thiess shareholders.

However, the CSR bid eventually succeeded and the court action became irrelevant.

Mr. John Howard, the Treasurer, announced the freeze yesterday, saying the Shell proposals were being examined under the Foreign Takeovers Act. "They raise a number of complex considerations under foreign investment policy and the FIRB has not been able to fully examine them in the usual 30-day period," he said.

"Accordingly, interim orders against the proposals to allow a further 90-days were issued to give time for detailed examination."

The "complex considerations" are understood to be legal issues relating to agreements made between CSR and Shell.

Antony Gibbs 'disappoints' parent bank

By Adrian Boven in Hong Kong

THE London-based merchant bank, Antony Gibbs Holdings, which became a wholly-owned subsidiary of the Hongkong and Shanghai Banking Corporation last year, has turned in disappointing results so far, Mr. Michael Sandberg, the chairman of the Hongkong bank, revealed yesterday.

In his annual statement to shareholders, he said that the Hongkong Bank had injected a substantial amount of capital into Antony Gibbs by way of a subordinated loan

"We believe that Gibbs will thus be enabled to deploy its resources more effectively and we look forward to its early return to profitability as a fully integrated member of the group," he added.

Mr. Sandberg did not disclose the size of the capital injection nor details of the firm's profit and loss account. The bank paid HK$180m (US$33.47m) in mid-1980 to raise its stake in Antony Gibbs from 40 per cent to 100 per cent.

● Wah Kwong Shipping and Investment Company (Hong Kong) has held its final dividend at 24 HK cents a share, to make a total of 34 cents, also unchanged, on capital raised by a one-for-10 series issue. It has also announced another one-for-10 scrip issue.

Group net profit increased 13.9 per cent to HK$131m (US$24m), from HK$115m.

FAI in A$64m insurance bid

BY OUR SYDNEY CORRESPONDENT

FAI INSURANCES yesterday launched a A$64m (U.S.$73.5m) takeover bid for Mercantile Mutual Insurance Company after a week of heightened activity in the target company's shares.

FAI offered Mercantile Mutual shareholders A$4 a share for the 96 per cent of the capital it does not already control. Mercantile Mutual's share price up pushed up from A$2.80 to A$4 after the bid announcement. Last week the company's share price rose from A$2.60 to the year's high of A$3.40.

The foundations for a struggle to secure control of Mercantile Mutual were set last week when Burns, Philp, the diversified trading group, tightened its grip on Mercantile Mutual when its associate, QBE Insurance Group, bought a 13 per cent stake. Burns, Philp owns a direct 7 per cent stake in Mercantile Mutual.

Several small insurance groups have recently encountered severe financial problems as the result of reduced premiums brought about by intensified competition.

Earlier this month FAI announced the acquisition of the insurance portfolio of one of the failed members of the industry, One Stop Insurance.

Mercantile Mutual has returned a series of sharply reduced earnings, the most severe of which came for the December half-year when its net profit plunged 91 per cent to A$565,000 despite a 20.3 per cent turnover growth. In the last financial year the company returned Australia's deepest underwriting loss of A$23m. Meanwhile, QBE's earnings were down 13.3 per cent to A$1.1m.

By comparison FAI has had a consistent record of profit growth during recent years, with earnings in the last half increasing to A$2.9m and the dividend increased.

FAI also has recently moved to diversify, recently winning control of the Adelaide-based agricultural machinery maker, Horwood Bagshaw.

Mr. Larry Adler, the FAI chairman, said his company had been buying almost all available Mercantile Mutual scrip for the past 18 months and now held 4 per cent of the group's issued capital.

Weak exports hit Alcoa Australia

BY OUR SYDNEY CORRESPONDENT

ALCOA AUSTRALIA, the subsidiary of the Aluminum Company of America, suffered a 15 per cent drop in earnings for the March quarter as the result of a weak export market and price rises which it describes as inadequate.

Net profits fell from A$28m to A$23.7m (US$27.2m) in the three months to March 31, while group turnover slipped from A$189.3m to A$179.9m (US$207m).

Price increases for alumina did not match cost increases, the directors said, partly because of market conditions and partly because of the appreciation of the Australian currency against the U.S. dollar.

Alcoa's pre-tax profit plunged 22 per cent from A$56.5m to A$44.1m, but the provision for tax was down from A$28m to A$20m.

The interim results, the directors said, did not necessarily foreshadow the result for the full year. They said that on an annual basis the quarterly profit showed a return of 6 per cent on assets, equal to that of the whole of 1980. The average return on shareholders' funds was 12 per cent, compared with the 13 per cent return for the whole of 1980.

ITO-YOKADO AND DAI'EI

Japanese stores groups show gains

BY YOKO SHIBATA IN TOKYO

ITO-YOKADO, the second largest chain store concern in Japan increased its consolidated net profits for the year to February 28 by 57.8 per cent to Y15.07bn ($69.4m). The main contributions came from subsidiaries such as Seven-Eleven Japan, the convenience store chain, and Denny's Japan, the restaurants group—respectively under licence from Southland, Corporation, of Texas, and Denny's of California. Sales were up 23 per cent to Y767.54bn ($3.54bn).

This runs sharply ahead of the parent company performance achieved by Ito-Yokado and by Dai'ei the largest Japanese chain store, although operating and net profits and sales on a parent company basis reached record levels at each company.

Sales at Dai'ei rose by 10.5 per cent to Y1.134bn (C$5.2bn). Operating profits were improved by 11.2 per cent to Y20.04bn (C$92·4m). Net profits gained 4.5 per cent to Y9.51bn. Per-share profits slipped back to Y39.49 from Y42.69.

The company enjoyed double-figure growth in sales for the first time in three years, with a major contribution coming from expansion of sales space.

Dai'ei achieved its desire to diversify into the department store business by a tie-up with Takashimaya, the 170-year-old and third-ranked department store. In order to achieve the tie-up, Dai'ei acquired around 10 per cent of Takashimaya's equity from Juzenkai (the doctors' investment club). Dai'ei later transferred 10m shares in Takashimaya, or about 4.7 per cent, to a subsidiary of Takashimaya, at a Y500m loss. Dai'ei continued to hold 12m Takashimaya shares, accounting for 5.7 per cent.

In the current fiscal year, ending Febraury 28, 1982, the company plans to open nine new sales outlets, at a capital outlay of Y65bn. The adverse effect of a higher borrowing total is expected to be offset by a reduced rate of interest.

Dai'ei operating profits for the current fiscal year are expected to rise further, by 7.2 per cent, to Y21.5bn. Net profits are also expected to improve 7.2 per cent to Y10.2bn and sales to gain 7.6 per cent.

Ito Yokado's parent operating profits moved up 11.6 per cent to Y22.97bn ($106m), and net profits 8.9 per cent to Y11.71bn on sales of Y687.97bn ($3.2bn), up 20.8 per cent. Profits a share were Y69.54, against Y70.97.

Slackness in sales of summer clothing was more than covered by good sales of winter clothing, so that total clothing sales rose 15 per cent, to account for 31.5 per cent of total turnover. Sales in the food division were strong—up 20 per cent, to account for 32.9 per cent of the total turnover. Against a background of aggressive expansion of sales space, the company's total of short-term and long-term borrowings increased by Y27.1bn to Y72.1bn.

A higher interest burden held back growth in operating profits, to the 11.6 per cent level, which compared with 27 per cent in the previous year.

The company's operating profits this year are expected to reach Y25.8bn, up 12.3 per cent, with net profits up 7.6 per cent to Y12.6bn, on sales of Y780bn, up 13.4 per cent.

WORLD STOCK MARKETS

Dow surrenders 6.3 by noon

STOCKS WERE LOWER in active trading by midsession on Wall Street yesterday as investors took profits on Monday's Blue Chip rally.

The Dow Jones Industrial Average, which had closed at an eight-year high of 1,015.94, was off 6.30 to 1,009.64 by noon. The NYSE All Common Index eased 0.25 to 77.92 on a volume of some 26m shares, and declines had a seven-to-six edge over advances.

Volume leader American Express lost $1⅜ to $41½ after announcing a proposed tax-free merger with stockbrokers Shearson Loeb Rhoades valued at $56 a share of $875m.

Amex also has an option on 2.5m additional Shearson shares at $56 cash each which would bring the total to more than $1bn. Shearson had yet to trade yesterday.

Other Brokerage shares eased after big gains on Monday — Merrill Lynch $⅝ to $39⅞, Dean Witter $¼ to $26½, Paine Webber $⅜ to $25⅝ and A. G. Edwards $½ to $27⅜. Donaldson Lufkin, which reported higher first quarter net profits, added $⅜ to $10¾.

Citicorp reported a rise in first quarter operating profits and gained $⅜ to $23½.

Cetus Corporation gained $1¼ to $20¼ bid, over-the-counter. Cetus announced that it has developed human fibroblast interferon in a safer bacterium.

Among Blue Chips Du Pont slipped $½ to $49½ and Union Carbide $1⅜ to $59⅞ after both reported weak first quarter net earnings. Exxon eased $½ to $67⅞. Eastman Kodak $⅜ to $84. International Paper $⅜ to $47⅝ and Merck $½ to $95½.

THE AMERICAN SE Market Value Index was off 2.08 at 363.78 on a volume of 3.79m shares.

Canada

Markets were slightly easier by midday, with the Toronto Composite Index 0.1 off at 2,354.3

Closing prices for North America were not available for this edition.

on a volume of 3.88m shares.

Sharper falls were recorded in the Base Metals and Energy sectors: the Metals and Minerals Index lost 12.6 to 2,396.7 and the Oil and Gas Index 23.7 to 4,548.8. However, the Golds Index surged 44.7 to 4,228.6.

Tokyo

Selective buying in Blue Chips, led by Vehicles and Electricals, took prices broadly higher but Steels and some other large Capitals fell on profit-taking.

The Nikkei-Dow Jones Market Average rose 12.65 to 7,497.36 in fairly active trading with volume of 580m shares. The Tokyo New SE Index added 1.93 to 548.70.

Among Vehicles, Honda Motor gained Y46 to Y850, Toyota Motor Y29 to Y1,020 and Nissan Motor Y16 to Y764. Advances in leading Electricals included Matushita, up Y40 to Y1,330.

Elsewhere, Dai Nippon Printing added Y33 to Y741, Takeda Pharmaceutical Y7 to Y839 and Ricoh Y11 to Y673.

Glassmakers and Non-ferrous Metals also rose, but Nippon Steel lost Y3 to Y204, and Mitsubishi Heavy Industries Y4 to Y295. The Second Market was slightly lower.

Singapore

Continued strong buying, primarily in Finances, Blue Chips and selected Properties, took prices higher for the fourth successive trading day. The Straits Times Index moved 6.89 beyond Monday's peak to an all-time high of 850.53. Fraser and Neave added a further 15 cents to S$6.45.

Germany

Frankfurt share prices held generally firm, with the Commerzbank Index rising 3.2 to 717.5.

Deutsche Babcock held strong though off its opening high, to close DM 3.50 up from Thursday at DM 201, while GHH shed DM 0.50 to DM 198 and KHD rose DM 1 to DM 179.

Banks all slipped from opening highs, with Dresdner ending DM 1.40 up at DM 155.50 while Commerzbang shed DM 0.50 to DM 129.50. Deutsche Bank added DM 0.3 to DM 290.5

Among Chemicals, Hoechst was off DM 0.10 at DM 122.50, but BASF at DM 130.30 firmed DM 0.80. In Stores, Horten was up DM 1.50 at DM 147.

On the Bond markets, Domestic and Eurobonds were maintained. Japanese convertibles continued to gain.

Paris

Bourse prices firmed in quiet trading in an evidently technical reaction to last week's easier trend. Banks and Insurances, Constructions, Engineering and Stores were firm.

Electricals were also generally higher, although CGE, whose subsidiary CGEE-Alsthom said it had won a FFr 500m contract for electronic control systems in the French nuclear energy programme, was unchanged at FFr 399.9.

In the Foreign sector, Americans, Germans and Japanese were firm.

Milan

Sharply higher prices on the Milan bourse brought the day index to a record 263.21. The rally, in active trading, was led by Banking issues and a number of Insurance and Real Estate companies. Banca Commerciale added L2,200 to L88,500. Industrials were mixed.

Amsterdam

The General and Industrial indices both attained 1981 highs after steady recent gains. However, Royal Dutch turned its opening gain into a Fl 0.20 loss on the day, as did Akzo, off Fl 0.10.

Australia

Sydney shares closed firmer as traders aparently reacted to strong performances on the London and New York markets.

Leading Miners, underpinned by firmer gold prices, headed the resurgence which lifted the All Ordinaries Index 6.6 to 728.2.

BHP added 20 cents to A$15, CRA 25 cents to A$4.85, MIM 15 cents to A$4.75 and Western Mining 10 cents to A$5.56.

Oils and Industrials generally failed to keep pace, however. Their indices added 1.9 to 2.4 respectively. Woolworths firmed 2 cents to A$2.22 after news of an A$30m convertible note issue.

The Melbourne market was closed for a public holiday.

Johannesburg

Golds closed quietly mixed in spite of the fairly steady bullion price. Heavyweights traded about 50 cents either side of their previous closing levels and medium and lightweights between 5 cents and 10 cents.

Mining Financials were firmer with Gold Fields of SA gaining R3 to R51 after the news that its group mines, East Driefontein, West Driefontein and a new area, North Driefontein, are to merge. In diamonds, De Beers fell 15 cents to R9.20. Industrials closed very firm.

ASSOCIATE DEALS

S. G. Warburg and Co., as an associate of Thos. W. Ward, sold on April 14 on behalf of discretionary investment clients 44,000 "B" ordinary shares of Tunnel Holdings at 392p.

On the same day, as an associate of Grand Metropolitan, Warburg sold, on behalf of a discretionary investment client, 1,571 ordinary shares of Grand Metropolitan at 196p.

ARC U.S. EXPANSION

Amey Roadstone Corporation, the UK construction materials subsidiary of Consolidated Gold Fields, has acquired Concrete Materials Corporation of Florida and the St. Louis Pipe Company of Missouri.

CANADA

Stock	April 20	April 16
Abitibi	26⅝	26¾
Agnico Eagle	13⅛	15¼
Alcan Alumin	44⅜	44
Algoma Steel	47½	47⅛
Asbestos	43	43
Bk Montreal	30½	30¼
Bk Nova Scotia	30¼	30⅜
Basic Resources	10¼	10½
Bell Canada	18⅛	18¼

BELGIUM (continued)

April 21	Price Frs.	+ or —
Petrofina	4,490	+25
Royale Belge	4,220	—30
Soc Gen Banq.	2,095	—25
Soc Gen Belge	1,080	—22
Sofina	2,850	—20
Solvay	2,335	—5
Traction Elect.	2,060	......
UCB	1,250	+22
Union Miniere	724	—14
Vieille Mont.	1,058	—12

HOLLAND

April 21	Price Fls.	+ or —
ACF Holding	78.5	+0.05
Ahold	68.2	+1.20
AKZO	22.7	—0.10
ABN	285	+1.50
AMEV	91.8	—0.40
AMRO	56.3	......
Bredero Cert.	215.5	+0.50
Bos Kalis	86.8	+1.80
Buhrmann-Tet	60	—0.10
Caland Hldgs.	35.5	......
Elsevier	139	+1.20

AUSTRALIA

April 21	Price Aust. $	+ or —
ANZ Group	4.80	......
Acrow Aust	1.25	+0.08
Allstate Expl	1.10	......
Ampol Pet	1.97	+0.05
Assoc. Pulp Pap.	2.45	......
Audimco	0.18	+0.01
Aust. Cons. Ind.	2.10	+0.02
Aust. Guarant.	1.78	......
Aust. Nat. Inds	3.80	+0.05
Aust Paper	2.32	......
Bank NSW	3.50	+0.05
Blue Metal	2.02	+0.02

JAPAN (continued)

April 21	Price Yen	+ or —
Kubota	350	......
Kumgaai	367	+1
Kyoto Ceramic	3,510	......
Lion	430	—1
Maeda Cons.	586	—7
Makita	920	+10
Marubeni	372	—1
Marudai	665	—1
Marui	865	—7
Matsushita	1,330	+40
M'ta Elec Works	681	+11
M'bishi Bank	400	+1

COMMODITIES AND AGRICULTURE

Sugar rallies from early lows

By Our Commodities Staff

WORLD SUGAR values rallied yesterday after falling to new one-year lows in early dealings.

In the morning the London daily raw sugar price was fixed at £185 a tonne, £5 *down from* its pre-holiday level, and the August position on the London futures market slipped to £187. Dealers attributed the fall to follow-through selling after last week's decline encouraged by a continued lack of consumer buying interest.

But the market turned higher later in the day as traders reacted against what they saw as an oversold situation.

The rise, which was encouraged by an International Sugar Organisation ruling limiting the amount member countries can import from non-members, lifted the August futures position to £193.25 a tonne at the close, up £0.825 on the day.

A forecast of heavy Russian imports might also have influenced the market, some dealers suggested. West German sugar statistician, F. O. Licht, estimated that the USSR would need to import 5.9m tonnes of sugar in the 1980-81 season to cover its own output shortfall.

The Soviet Union is estimated to have bought between 3.2m and 3.4m tonnes of sugar on the world market so far this season. If that is correct 2.5-2.7m tonnes will be required from Cuba, more than has been generally expected.

Ivory Coast predicts record cocoa crop

ABIDJAN—The Ivory Coast 1980-81 cocoa crop will be around 380,000 tonnes, marketing board (Caisse de Stabilisation) deputy director general, Mr. Norbert Kouakou, said.

This would be a record, and up on last year's record 373,000 tonnes, confirming the uptrend in Ivorian cocoa with new plantations coming into production year after year until 1985, according to official statistics.

Mr. Kouakou said the Ivory Coast had not stockpiled as it did the previous year, and was going ahead with an active sales programme.

Asked to comment on a statement made in Luxembourg by Ivory Coast Finance Minister, Mr. *Abdoulaye Kone*, that the entire 1980-81 crop was being exported, Mr. Kouakou said: "That's correct."

Reuter

Strike news lifts metals

BY JOHN EDWARDS, COMMODITIES EDITOR

STRIKE NEWS HITS METALS STRIKE news boosted copper, lead and zinc prices on the London Metal Exchange yesterday.

Copper cash wirebars gained £14 to £844 a tonne, following a rise in New York prices on Monday reflecting the start of a strike at the El Teniente mine, Chile's second biggest production unit and the largest underground mine in the world.

About 10,000 workers are involved in the dispute over a new labour contract, but under Chile's labour laws the strike is only allowed to continue for 60 days—when workers must either accept the company's latest wage offer or consider themselves dismissed. Strikes are forbidden at Chile's largest copper mine, Chuquicamata.

However it is feared that the strong dissatisfaction at El Teniente, where over 95 per cent of the workers voted against the company offer, could trigger off strikes *at other* mines in Chile, which is currently the world's biggest copper exporter.

Lead and zinc followed the upward trend in copper, but were also boosted by the strong *possibility of a strike by* workers at Cominco, the big Canadian producer of both those metals whose labour contracts expire at the end of April. Reuter reported that little headway had been made in talks between Cominco and union representatives over the terms of a new contract. The strike by workers at St. Joe lead plants in Missouri continues, although talks to end the dispute are planned.

Cash lead rose by £9.25 to £353.5 a tonne. Cash zinc was £12.25 up at £391.5 a tonne, additionally bolstered by rumours of another rise in U.S. zinc producer prices. This more than offset the statement by Preusag, the West German producer, that it was not raising its European producer price to $875 a tonne, as virtually all other producers have done, but was instead adjusting its price line with market levels.

Zinc stocks held in LME warehouses rose last week by 1,575 tonnes to a total of 89,750 *tonnes. Lead stocks fell* marginally by 350 to 47,475 tonnes, copper by 50 to 120,075, aluminium by 625 to 51,025 nickel by 30 to 3,186 tonnes.

LME silver holdings rose by 100,000 to 24,590,000 ounces. There was also an unexpected increase in tin stocks, up by 525 to 6,420 tonnes, which helped depress the cash tin price by £57.5 to £6,025 a tonne.

Cost of bauxite raised

BY CANUTE JAMES IN KINGSTON

By Canute James in Kingston—THE Jamaican Government has increased the basic price for which it sels bauxite ore to the North American companies mining in the island.

The new basic price for the ore is $21.20 per tonne, this is *66 cents higher than the basic* price for last year.

The new price will remain in effect until December 31 this year. It is expected that this new rate, with marginal increases which have been projected in the level of mining, will increase Jamaica's earnings from the industry by about $6m *over the $209m which was* earned last year.

Farmers seek new milk price rise

BY RICHARD MOONEY

MILK PRODUCERS' demands for an increase in the UK liquid price are likely to be *stepped up following the 3p a* gallon cut in the wholesale price announced last week by Mr. Peter Walker, the Minister of Agriculture.

The last increase, in January, took the price to 18.5p a pint—up 23.3 per cent in a year—and any further increase would greatly anger consumer groups who claim British milk is already the dearest in the EEC.

After the EEC farm price review was settled earlier this month, Mr. Richard Butler, president of the British National Farmers' Union (NFU), indicated that his union would be seeking an increase in the Government-controlled retail price for liquid milk. He said the 9 per cent support price rise would yield only 4 per cent for British dairy producers because it only affected manufacturing milk—representing about half *British production—and another* ½ per cent would be lost through an increase in the EEC levy imposed to discourage overproduction.

Last week Mr. Walker announced that the maximum wholesale price of milk in *England and Wales was being* reduced by 0.66p a litre to reflect the lower costs of milk production in the summer months and changes in the costs on processing and production.

With the maximum retail price remaining at 18.5p a pint this leaves a bigger margin for the distributors, who buy their milk from farmers via the Milk Marketing Board (MMB). The Government holds twice-yearly reviews of milk production and distribution costings but this is the first time since spring 1978 that it has decided to cut the wholesale price.

The move has been deplored by the NFU, supported by the MMB. "In effect this will bring about a reduction in producers' prices in order to recompense higher costs incurred by the distributive trade unless the retail price for milk is raised in the near future," said Mr. Butler. "The longer the Government delays, the greater this increase will need to be.

The NFU president said the financial situation of many milk producers was already "critical."

The Minister's decision was welcomed, however, by the Dairy Trade Federation, which represents the distributors. Mr. John Owens, its director-general, said the wholesale price reduction would go some way towards covering the industry's current wage offer.

Mr. Walker was also applauded by the Consumers' Association for deciding against a rise in the doorstep milk price. It said British consumers were already paying 3p a pint more than consumers in any other EEC country and 7p more than those in Germany.

● The dramatic decline in EEC butter stocks has reduced the delay between the agreement of increased manufacturing milk prices and their effect on British dairy farmers' milk cheques. Stocks are now down to about 40,000 tonnes compared with the 590,000 tonnes peak reached in August 1979.

Partly as a result of this British and Irish wholesale butter prices have already risen by £80 a tonne

Slaughterers strike hits Danish meat

By Hilary Barnes in Copenhagen

A strike of slaughterhouse workers will paralyse the Danish meat trade from today after the failure over the Easter weekend of attempts to avert the conflict.

The strike has already brought a halt to slaughtering, but shipments of bacon to the UK will be made until Friday of this week, which should mean that supplies will be normal for most of next week, said ESS-Food, the pig meat export association. Denmark supplies 42 per cent of the bacon consumed in the UK.

The weekend efforts to avert the strike included negotiations at the Prime Minister's office, but a new mediation proposal was turned down by the trade union.

The only quick solution to the conflict, which will stop bacon, beef and veal sales accounting for about 15 per cent of Denmark's total exports, would be a Government decision to make the *final mediation offer into law*, but Prime Minister Anker Joergensen said yesterday that the Government was not prepared to take this step.

One problem for the Government is that if it stops the meat conflict by law, it will find it difficult to stay out of other current labour conflicts, including a month-old strike and lock out which has closed down most of the nation's newspapers, magazines and printing works.

Return of sheep dipping

By Our Own Correspondent

THE GOVERNMENT is to bring back compulsory sheep dipping throughout England and Wales this autumn in an attempt to prevent the spread *of the highly infectious sheep* scab disease. From September 1 to November 9 all sheep will have to be dipped, the Ministry of Agriculture announced yesterday. There will also be controls on sheep markets and movements of sheep.

Additional controls are also being introduced from June 15 to July 15 in counties where there had already been a high number of cases, mostly in the Midlands. There have been 37 outbreaks so far this year, compared with seven in 1980.

ZIMBABWE TOBACCO

Hopes of better auction prices

BY TONY HAWKINS IN SALISBURY

ZIMBABWE'S second season of post-sanctions tobacco sales opens here today in hopes and expectations of substantially higher prices for flue-cured leaf.

Last year's sales—the first open sales after 14 years of economic sanctions—were a severe disappointment to the industry. In 1979-80, tobacco growers produced a large but low quality, drought-affected crop of 123m kilos which sold at an average price of 79.5 cents a kilo (118 U.S. cents), leaving growers with a net loss of about Z$4m (£2.816m).

In spite of the lifting of sanctions, the average price last year was the lowest since 1976, but this year growers are hoping for an increase of about 50 per cent in the season's average price to at least 120 Zimbabwe cents a kilo.

This season's sales optimism looks to be well-founded. The Zimbabwe Government limited the 1980-81 crop to a target figure of 70m kilos and latest indications are that after abnormally heavy rains there will be a high quality crop close to that target figure. Traders describe this as a "short" crop in the sense that the eight packing plants in Zimbabwe have capacity to handle 20 per cent more in volume. When the *crop target was set* in mid-1980, Zimbabwe was estimating a substantial leaf stockpile in 1980-81 of around 150m kilos. In the event, the stockpile has now been reduced to 86m kilos, just over half of which is already sold.

A further pointer is the fact that many manufacturers are holding low inventories, the sales in Malawi and Zimbabwe are the only export markets open at present. The Malawi *sales started relatively well*, with an average price in the first week equivalent to 106 Zimbabwe cents and growers here expect a similar or even slightly firmer price over the next few weeks in the Salisbury sales.

Prices normally start at prices well below the season's average, since the first leaf to come to the floors is the low value low nicotine tobacco. Choice grades should attract prices of 140 to 150 Zimbabwe cents.

Zimbabwe growers need higher prices with costs rising at an estimated 20 per cent a year. The number of tobacco growers had fallen by 400 to 1,158 partly reflecting the cutback in the crop size and also the greater profitability of competitive crops, most notably maize. Higher prices for coal and fertiliser, substantially higher transport costs and increased wages—with a further sharp rise in wages anticipated later in the year—have pushed the estimated average production cost of tobacco to 115c, from last year's 85c a kilo.

Tobacco is Zimbabwe's second largest export—after gold—worth Zimbabwe $118m last year. Transport is likely to be a big problem this year, since 90 per cent of Zimbabwe's tobacco was last year exported through the South African port of Durban. Not only is this expensive, but the South African railways warned recently that Zimbabwe should diversify traffic away from the Durban route because of traffic congestion and maintenance works on the line.

E. Germany to cut grain imports

BY *LESLIE COLITT IN BERLIN*

EAST GERMANY plans to cut by one third its grain imports from the West, mainly animal feed from the U.S. which last year cost the country $500m.

Western specialists on *East* German farming said the decision to reduce feed imports by "more than 1m tonnes" by 1985 may be partly motivated by the U.S. grain boycott imposed on the Soviet Union. They note that East Berlin may fear similar action by Washington if, for example, East Germany and other Warsaw Pact countries were to take action in Poland.

A *directive issued by* the East German government at the weekend said that by 1985 grain production is to reach "at least" 10m tonnes, which is the most important condition for fodder imports to be lowered. In 1979 grain production was 8.8m tonnes.

East Germany's Prime Minister, Herr Willi Stoph, told the East German Communist Party Congress last week it was "of strategic importance" that animal fodder output be boosted to achieve higher meat production *with lower fodder imports*. East Germany already has the highest per capita meat consumption in Comecon of 89.4 kilos last year.

Herr Stoph said East Germany must achieve an average yield of 4.32 tonnes per hectare compared with 3.56 in 1979. Western agriculturalists said this could be achieved by using proper amounts of fertiliser and planting better varieties *with a higher yield potential*.

Dr. Klaus Bolz, of the Hamburg Institute of Economic Research in West Germany, wrote that it is obvious that several EEC countries, including West Germany, have profited from the U.S. grain embargo against the Soviet Union. He noted in the Institute's monthly publication that agricultural products made up 3 per cent of West Germany's exports to the Soviet Union in 1979 and jumped to 9 per cent in 1980.

Nancy Dunne in Washington *writes: As the Russian threat* against Poland seems to be receding, speculation has been mounting here that the Reagan Administration will seize the current lull as an opportunity to lift the partial grain embargo against the Soviet Union.

Terming the embargo "an albatross" to the President who promised to end it when he took office, some Administration staff said the ban could be ended *in the next few weeks if it* appears that the situation in Poland has stabilised.

Key Republican senators like Mr. Robert Dole and Mr. Jesse Helms are said to be pressuring the Administration to end the embargo by the end of April, when they will begin to draft the 1981 Omnibus Farm Bill.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer on the London Metal Exchange owing to the El Teniente strike news and the strength of Comex. Forward metal opened higher at £858 and *gradually moved* ahead to touch £866 before easing marginally to close the late kerb at £864.5. Turnover 35,000 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	836-7	+6	844-5	+14
3 months	857.5-8	+8.25	865.5-6	+16.2
Settlem't	837	+6	—	......
Cathodes				
Cash	831-2	+6.25	838-40	+15.7
3 months	845.5-6.5	+8.25	854-5	+16.7
Settlem't	832	—8.5	—	......
U.S. Prod			*83.5-87	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £836.5, three months £855, 57.5, 57, 58.5, 57, 57.5. Cathodes, three months £846. Kerb: Wirebars, three months £857.5, 58, 58.5, 59. Afternoon: Wirebars, three months £859, 58.5, 65.64, 63, 63.5, 64, 64.5, 66, 65.5, 65, 66. Cathodes: three months £855. Kerb: Wirebars, three months £866, 65.5, 65, 64.5, 64, 64.5.

TIN—Easier following the rise in warehouse stocks which encouraged hedge selling and stop-loss selling. After opening at £6,150 and moving up to £6,160 forward metal came under heavy selling pressure which lowered the price to £6,100 before recovering on covering against U.S. physical interest to close the late kerb at £6,110. Turnover 1,450 tonnes.

Morning: Standard, cash £6,125, three months £6,150, 60, 70, 75, 80. Kerb: Standard, three months £6,175. Afternoon: Standard, three months £6,160, 50, 40, 35, 30, 20, 10, 6,100, 05, 6,100, 10, 05, 02, 01, 6,100, 6,095, 98, 6,100. Kerb: Standard, three months £6,110.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6120-30	+42.5	6080-30	—57.5
3 months	6170-80	+32.5	6098-100	—45.5
Settlem't	6130	+45	—	......
Standard				
Cash	6120-30	+42.5	6020-30	—57.5
3 months	6170-80	+32.5	6098-100	—45.5
Settlem't	6130	+45	—	......
Straits E.	$530.30	+0.15	—	......
New York	—	......		

LEAD—Gained ground owing to speculative buying prompted by the possibility of a strike at Cominco and the strength of copper and zinc. Forward metal opened at £353 and moved up to £365 before closing the late kerb at £363. Turnover 7,525 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	349.25-.5	+5.12	353-4	+9.25
3 months	356.5-7	+6.5	360-1	+10.2
S'ment	349.5	+5	—	......
U.S. Spot	—	......	*36-8	......

Morning: Cash £349.25, three months £355, 5.5, 56, 57, 56.5. Kerb: Three months £357. Afternoon: Three months £358, 57.5, 57.25, 57.5, 58, 58.5, 59, 60. Kerb: Three months £363, 64, 65, 65.5, 66, 65, 64.5, 65, 64, 63, 62, 63.

ZINC—Sharply higher on heavy speculative buying encouraged by talk of a strike at Cominco and rumours *of possible U.S. producer price increases*. Forward metal gained ground throughout the day, breaking through £400 on the afternoon kerb and finally closing at £403.5. Turnover 8,625 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	384-.5	+5	391-2	+12.2
3 months	395-.5	+5	402-3	+10.2
S'ment	384.5	+5	—	......
Primw'ts	—	......	*43.5	......

Morning: Cash £384.5, 84, three months £394, 95, 95.5, 95.25. Kerb: Three months 395, 95.5. Afternoon: Three months £395.5, 97, 98, 99, 400, 01, 400.5, 400, 400.5, 01, 02. Kerb: Three months *£403, 04, 03.5, 3, 2, 3,* 4, 3, 3.5.

ALUMINIUM—Little changed in routine trading with forward metal finally £652.5 on the late kerb. Turnover 3,400 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	635-7	—.5	634-6	—1.5
3 months	653-4	......	653-4	......

...Morning: Three months £654, 54.5, 55, 54, 53. Afternoon: Three months £652, 53, 53.5. Kerb: Three months £653.

NICKEL—Steady in quiet trading which saw three months move in a £5 range prior to closing the day at £2,945. Turnover 312 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2880-5	—10	2885-90	—5
3 months	2940-5	......	2945-50	+5

Morning: *Cash* £2,877, 80, three months £2,950. Afternoon: Cash £2,885, 90, *three months £2,945*.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 0.1p an ounce higher for spot delivery in the London bullion market yesterday at 515.65p. U.S. equivalents of the fixing levels were: spot $11.13, up 2c; three-month $11.585, up 3.8c; six-month $12.075, up 4.9c; and 12-month $12.951, up 3.7c. The metal opened at 514-523p ($11.1-$11.3) and closed at 521-530p ($11.25-$11.45).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	515.65p	+0.1	529.5p	+15.0
3 months	531.25p	+0.75	545.5p	+15.0
6 months	548.10p	+1.1	—	......
12months	580.90p	+1.1	—	......

LME — Turnover 79 (50) lots of 10,000 ozs. Morning: three months 535, 31, 31.5, 32. Kerb: three months 532. Afternoon: three months 530, 34, 35, 36, 36.5, 37, 38.5, 42, 45, 44, 45. Kerb: three months 545, 44, 43, 43.5.

COCOA

Futures opened £15 lower against the New York close and thereafter traded nervously within a narrow range throughout a dull day. Actuals business was neglected while both producers and consumers continued to be withdrawn reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	950-951	—11.0	950-955
July	985-986	—12.0	985-977
Sept.	1002-1003	—13.0	1004-997
Dec.	1022-1023	—12.0	1023-1017
March	1043-1044	—12.0	1044-1038
May	1059-1061	—9.0	1059-1055
July	1072-1078	—6.0	1070

Sales: 1,904 (5,467) lots of 10 tonnes.

ICCO Futures—Daily price for April 16: 95.05 (97.66): five-day average 95.78 (94.87).

COFFEE

Early activity consisted mainly of switching operations in a narrow range as the market *opened slightly lower*, reports Drexel Burnham Lambert. During the afternoon trading was well matched with trade buying absorbing good Commission House selling before stop losses were triggered towards the close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1055-57	—6.0	*1058-54*
July	1056-59	—11.5	1066-55
Sept.	1053-57	—12.0	1063-52
Nov	1057-58	—7.0	1063-57
Jan	1054-56	—6.5	1057
March	1048-55	—2.5	—
May	1048-55	—3.5	—

Sales: 905 (1,639) lots of 5 tonnes.

ICO Indicator prices for April 16: (U.S. cents per pound): Other Mild Arabicas 128.35 (127.33); Robustas ICA 1976 111.50 (same); ICA 1968 111.75 (same). Unwashed Arabicas *unquoted*. *Comp*, daily ICA 1968 unquoted.

GAS OIL FUTURES

The market opened significantly weaker after the Easter break but rallied on short covering during the morning. A weaker New York opening, anticipated and then realised, pushed prices down during the afternoon to close just off the lows, reports Premier Man.

Month	Yesterd'ys close	+ or —	Business Done
	$ U.S. per tonne		
June	284.25	—5.25	288.00-83.50
July	286.75	—8.00	292.00-86.00
August	293.50	—7.25	298.00-95.00
September	300.25	—6.50	303.00-98.00
October	307.00	—6.00	308.25-06.50
November	311.00	—8.50	315.50-11.00
December	318.00	—7.00	318.00-18.00
January	323.00	—7.00	323.75-25.00
February	326.50	—8.00	—

Turnover: 883 (165) lots of 100 tonnes.

GRAINS

Old crop wheat opened 10p higher. Some initial buying interest was seen but good physical *movement brought* out sellers and values closed £1.45 down on May and £1.15 down on July. New crops saw a quiet trading day, wheat values holding steady to close 5-20p higher with barley closing unchanged to 10p without trading, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
May	114.60	—1.45	98.35	—0.85
July	117.00	—1.15	—	....
Sep	102.00	+0.05	95.50	—0.05
Nov	105.60	+0.15	99.20	—0.10
Jan	109.50	+0.15	102.70	—0.05
Mar	113.30	+0.20	106.25	—0.85

Business done—Wheat: May 116.20-114.50, July 118.35-116.50, Sept. 101.90 one trade, Nov. 105.60-105.35, Jan. 109.50-109.30, March no trades. Sales: 315 lots of 100 tonnes. Barley: May 99.00-97.95, Sept., Nov., Jan. and March no trades. Sales: 131 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent May 107.50, June 106.75, July 107.25 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent May 108.50, June 107.25, July 107.00 transhipment East Coast sellers. Maize: French April 125.50 transhipment East Coast seller. S. African Yellow April/May 85.50 seller. Barley: English Feed fob April 101.50, May/June 103.50 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 97.50, S. West 98.00, W. Mids. 97.80, N. West 98.80. The UK Monetary Coefficient *for* the week beginning Monday, April 27 (based on HGCA calculations using three days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened quiet, and stayed steady throughout the day to close steady. Lewis and Peat reported an fob May price for No. 1 RSS in Kuala Lumpur of 260 (261.5) cents a kg and SMR at 239 (239.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
May	53.60-54.50	53.80-55.00	—
June	54.70-55.50	54.70-56.00	—
Jly-Sept	57.70-57.80	56.90-57.00	57.80-56.50
Oct-Dec	61.10-61.20	60.20-60.30	61.20-59.80
Jan-Mar	64.00-64.10	63.10-63.20	64.10-62.80
Apl-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]

Sales: 253 (263) at 15 tonnes, nil (same) at five tonnes. Physical closing prices (buyers) were: Spot 53.00p (52.50p). May 55.00p (55.75p). June 56.75p (56.50p).

SOYABEAN MEAL

The market opened with gains of £1.50 on Commission House buying, reports T. G. Roddick. Prices continued firm and made further advances on mixed buying together with short covering to close with gains of £3.

	Yesterdays Close	+ or —	Business Done
	£ per tonne		
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]

Sales: 104 (61) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £185.00 (£190.00) a tonne cif for April-May-June shipments. White sugar daily price £204.00 (£206.00).

A weaker than expected opening was short lived and the market gradually edged higher to match the closing prices prior to the holiday weekend. The volume of trading was the lowest recorded this month, reports C. Czarnikow.

No. 4 Contract	Yest'rday's Close	Previous Close	Business Done
	£ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Jan.	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

Sales: 4,369 (7,373) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £258.5 (£264.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for April 16: Daily price 16.65 (16.87); 15-day average 19.39 (19.77).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 377 tonnes. The opening session of the week saw a good deal of activity, with extensive purchases in Middle Eastern, Russian and Turkish were in request, with additional trading in South American and African qualities.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 499.0, 500.0, 500.0-496.0; July 499.0, 499.0, 500.0-495.5; Oct. 491.5, 492.5, 495.0-493.0; Dec. 494.5, 495.0, 496.0-490.0; Mar. 503.0, 504.0, 504.0-502.0; May 508.0, 509.0, 509.5-505.0; July 513.0, 515.0, 513.0-510.0; Oct. 515.0, 517.0, 515.0-512.0. Sales: 169.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). [illegible]

PRICE CHANGES

	Apr. 21 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1580/1410	......	$1470/580
Copper			
Cash w'bar	£844.5	+14	£828
3 mths	[illegible]	[illegible]	[illegible]
Cash Cathode	[illegible]	[illegible]	[illegible]
3 mths	[illegible]	[illegible]	[illegible]
Gold troy oz	[illegible]	[illegible]	[illegible]
Lead Cash	[illegible]	[illegible]	[illegible]
3 mths	[illegible]	[illegible]	[illegible]
Nickel	[illegible]	[illegible]	[illegible]
Freemkt	[illegible]	[illegible]	[illegible]
Platin'm'try oz	[illegible]	[illegible]	[illegible]
Freemkt	[illegible]	[illegible]	[illegible]
Quicksilver	[illegible]	[illegible]	[illegible]
Silver troy oz	[illegible]	[illegible]	[illegible]
3 mths	[illegible]	[illegible]	[illegible]
Tin Cash	[illegible]	[illegible]	[illegible]
3 mths	[illegible]	[illegible]	[illegible]
Tungsten	[illegible]	[illegible]	[illegible]
Wolfrm 22.04 lb	[illegible]	[illegible]	[illegible]
Zinc Cash	[illegible]	[illegible]	[illegible]
3 mths	[illegible]	[illegible]	[illegible]
Producers	[illegible]	[illegible]	[illegible]
Oils			
Coconut (Phil)	[illegible]	[illegible]	[illegible]
Groundnut	[illegible]	[illegible]	[illegible]
Linseed Crude	[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]	[illegible]	[illegible]
Seeds			
Copra Philip	[illegible]	[illegible]	[illegible]
Soyabean (U.S.)	[illegible]	[illegible]	[illegible]
Grains			
Barley Futures	[illegible]	[illegible]	[illegible]
Maize	[illegible]	[illegible]	[illegible]
French	[illegible]	[illegible]	[illegible]
Wheat	[illegible]	[illegible]	[illegible]
No. 1 Red Spg	[illegible]	[illegible]	[illegible]
No2 Hard Wint	[illegible]	[illegible]	[illegible]
Eng. Milling	[illegible]	[illegible]	[illegible]
Other commodities			
Cocoa ship't	[illegible]	[illegible]	[illegible]
Future July	[illegible]	[illegible]	[illegible]
Coffee Ft July	[illegible]	[illegible]	[illegible]
Cotton A.Index	[illegible]	[illegible]	[illegible]
Rubber (kilo)	[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]	[illegible]	[illegible]
Wool'tps 64s Kl	[illegible]	[illegible]	[illegible]

[illegible]

JUTE

[illegible]

POTATOES

LONDON POTATO FUTURES—[illegible]

MEAT/VEGETABLES

SMITHFIELD—[illegible]

COVENT GARDEN—[illegible]

AMERICAN MARKETS

Monday's closing prices

NEW YORK, April 20.

††Cocoa — May 19.68 (20.10), July 20.43 (20.80), Sept. 21.00, Dec. 21.58, March 22.10, May 22.50, July 22.91, Sept. 23.38. Sales, 1,419 lots.

Coffee—"C" Contract: May 125.75-125.90 (126.38), July 125.00-125.20 (125.27), Sept. 124.50-124.75, Dec. 120.30-120.75, March 118.50-118.70, May 118.99-119.0, July 118.90, Sept. 118.50-118.75. Sales, 960 lots.

[illegible]

CHICAGO, April 20.

Lard—Chicago loose 19.25 (same). Chicago Imm Gold — April 487.59 (487.7), May nil (nil), June 495.5, July 501.7, Sept. 514.1, Oct. 520.3, Dec. 532.8, Jan. 539.1, March 551.7, April 560.0.

Live Cattle—April 68.55-68.00 (67.87), June 70.20-70.15 (70.35), Aug 69.85-70.05, Oct 67.85-68.05, Dec 68.80-69.00, Feb 70.05 asked, April 70.60 asked.

[illegible]

WINNIPEG, April 20.

[illegible]

EUROPEAN MARKETS

ROTTERDAM, April 21.

[illegible]

PARIS, April 21.

[illegible]

INDICES

FINANCIAL TIMES

April 21	April 16	Month ago	Year ago
260.91	261.22	259.94	279.56

(Base: July 1, 1952=100)

MOODY'S

April 1	April 16	Month ago	Year ago
1113.2	1112.2	1151.9	1152.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr 20	Apr 16	Month ago	Year ago
Spot	407.01	408.12	421.96	416.41
Fut's	418.55	418.18	433.48	436.27

(Average 1924-25-26=100)

REUTERS

April 21	April 16	M'nth ago	Year ago
1699.5	1692.0	1696.8	1700.7

(Base: September 18, 1931=100)

Equity leaders falter after pre-Easter upsurge but undertone remains firm—Gilts advance again

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26
May 18	*May 28*	*May 29*	*June 8*

* "New time" dealings may take place from 9.30 am two business days earlier.

The pre-Easter upsurge to record *highs in London equity* markets faltered yesterday after leading shares had initially flattered by advancing further when trading resumed following the four-day holiday. Wall Street's rise to an eight-year peak and the Prime Minister's optimism about prospects for the UK economy added weight to a market still bemused by Thursday's unexpectedly sharp upturn.

The completion of small investment buying orders received before the holiday encouraged leading industrials to harden in the early business, while many secondary stocks left behind on Thursday caught up with the advance. It soon became clear, however, that larger investors had no intention of chasing values higher and the trend was reversed as some Account operators showed their readiness to take profits.

The reaction, described as *little more than a downdrift and* unaccompanied by selling of any size, failed to disturb the underlying market strength and lead*ing equities began to* nudge higher again late in the afternoon. The FT Industrial Ordinary share index measured yesterday's extremes with a rise of 2.5 at the first calculation and a net fall of 4.1 at 2.00 pm before a close of 2.4 down on balance at 566.1. Illustrating the overall trend, rises in FT-quoted *industrials registered* a *two-to-*one advantage over falls.

Trade was also thin in Gilt-edged but small demand, partly from overseas, caused a general improvement at both ends of the market. Quotations often closed a shade below the best, but longer maturities still recorded gains extending to ½. Sentiment in this sector appeared to benefit from last month's smaller-than-expected rise in the rate of inflation and yesterday's improvement in sterling.

Traded options attracted 1,436 trades compared with last week's daily average of 1,331. **ICI** met good support and recorded 487 deals, with the July 280's and the July 300's recording 110 and 124 contracts respectively.

A strong market recently *ahead of the preliminary results,* **British Aerospace** encountered profit-taking after the figures and closed 7 cheaper at 214p compared with last month's issue *price of 150p.*

Bank of Ireland firm

Bank of Ireland became an *isolated firm feature in an* otherwise lethargic banking sector, rising 10 to 305p as buyers began to show an interest ahead of preliminary results due next month. *Elsewhere,* the major clearers drifted gently lower ahead of today's industrial action by the BIFU over pay. **Barclays** relinquished a couple of pence to 423p as did **Lloyds**, to 338p. **Union** receded 5 to 495p among Discounts where **Gillett Bros.** hardened 2 to 285p; Brittanic Assurance has disposed of its entire shareholding (0.6m shares) in Gillett to various institutions at around 285p per share. In merchant *banks,* **Arbuthnot Latham** *gave* up 5 to 293p on profit-taking and **Kleinwort Benson** shed 4 to 250p following the annual report.

Brentnall Beard featured Insurances, rising 3 to 24p, while **Sedgwick Forbes** added a similar amount at 128p.

Wines and Spirits traded quietly and usually retained last Thursday's closing levels. **Arthur Bell**, however, responded to Press comment and rose 4 to 206p; the 9½ per cent convertible added 4 points to £116.

British Dredging touched 38p before closing 9 up at 37p following the rejection of the 35p per share offer from Ready Mixed Concrete. Elsewhere in the Building sector, **Walter Lawrence** gained 10 to 134p in response to the satisfactory preliminary profits and dividend increase, while demand in front *of today's annual results lifted* **Wilson (Connolly)** 16 to 242p. Press comment stimulated interest in **Marchwiel**, which firmed 15 to 144p, but **Robert M. Douglas**, a rising market of late on vague takeover rumours, shed 8 to 115p. Suspended on April 15 at 64p, dealings in **George M. Callender** resumed at 58p with a close of 48p following the breakdown of discussions regarding a possible offer for the company.

Up 16 on Thursday *in a* market short of stock, **ICI** drifted down to 280p before small buying in the late dealings left the close 4 up on balance at 286p. Among other Chemicals, **Yorkshire** gained 3 to 43p, after 45p, following favourable Press comment, but **Anchor** shed 4 to 62p on the sharply reduced annual profits and dividend omission.

Currys please

Leading Stores were generally firmer. **Mothercare** added 4 at 232p, while **Gussies "A"** rose 3 to 483p. **W. H. Smith**, however, shed a couple of pence to 156p following the slightly disappointing preliminary results. Among secondary issues, **Owen Owen**, annual results tomorrow, im*proved 6 to 86p on news that* Churchbury Estates has acquired a 5.4 per cent holding in the company; **Elys (Wimbledon)**, in which Owen Owen controls a near-30 per cent stake, were additionally helped by a Press mention and closed 25 up at 240p. **Grant Brothers** rose 7 to 115p. **Currys** pleased the market with increased annual profits and dividend together with a 100 per cent scrip issue and the close was 20 higher at 383p.

The Electrical leaders fluctuated within fairly narrow limits before settling with irregular movements on the day. A favourable broker's circular had little impact on **GEC** and **Racal**, the former closing a shade cheaper at 700p and the latter ending 2 firmer at 380p. **Ferranti**, the subject of a switch recommendation, reacted 13 to 555p. **Forward Technology** rallied 4 to 155p following recent dullness on the *recent* announcement of the special £1m tax provision, while the encouraging statement on the outlook which accompanied the annual results left **Concorde Rotaflex** 2 dearer at 37p.

Engineering leaders passed a subdued trading session with quotations drifting lower on occasional offerings and lack of further support. **GKN** eased 8 to 170p and **Hawker** 4 to 334p. **Vickers**, awaiting tomorrow's preliminary statement, eased to 176p before settling at 178p for a fall of 3 on balance. Secondary issues, in contrast, continued to meet selective support. **Midland Industries**, up 16 at 92p in response to favourable week-end Press mention, provided the main feature. *B. Elliott* rose 9 to 203p and **Pegler-Hattersley** 8 to 184p, while **Martonair** improved 5 to 265p. **Wadkin** gained 4 to 87p in front of the annual results. Against the trend, **Barton and Sons** fell 3 to 31p on the sharp fall in the annual profits and **Westland** shed 6 to 144p following a *Press* article suggesting that the recent rise in response to the Defence White Paper had been overdone.

Bowater easier

The Food sector had a firm *feature* in **A. G. Barr** which put on 31 to 175p in a restricted market following Press comment. Demand ahead of tomorrow's preliminary results *left* **Rowntree Mackintosh** 4 up at 192p *In contrast,* **Northern Foods** encountered profit-taking and eased 3 to 184p, while **Somportex**, up 100 on Thursday in a thin market, gave up 50 to 900p.

Miscellaneous industrial leaders succumbed to profit-taking in places and closed *mixed.* Particularly vulnerable were **Bowater**, which fell 9 to 275p after the recent strong rise on good results and hopes of a bid for the group's U.S. timber interests. **Glaxo** lost 4 to 342p as did **Reckitt and Colman**, 246p, while **Beecham** cheapened 2 to 186p. **Turner and Newall**, however, continued firmly at 107p, up 2, and **Metal Box** hardened a similar amount at 214p; the price in yesterday's issue was incorrect. Elsewhere, **English China Clays** rose 5 to 127p on investment buying and similar support lifted **Vinten** 12 to 266p. Reflecting the chairman's encouraging statement which accompanied the half-year results, **A. Arenson** rose 3 to 44p, while **Thomas Marshall (Loxley) A** jumped 9 to 40p on further consideration of the good results. Recent speculative favourite **Office and Electronic** rose 10 afresh to 400p ahead of preliminary results due next Wednesday, while **Mettoy** hardened a penny to 23p ahead of Friday's annual figures. Improvements of around 6 were seen in **British Vita**, 176p, **Electrical and Industrial Securities**, 116p, *Extel*, 183p, **Alexander Russell**, 263p, and **Friedland Doggart**, 98p, while **Barget** put on 5 to 170p and **Armour Trust** hardened 1½ to 9½p. **Hestair** eased 2 to 39p awaiting tomorrow's results, while **De La Rue** fell 15 to 680p and **ICL** gave up 3 at 52p.

Motor sectors tended firmer where changed. In Distributors, *Harold Perry, annual figures* expected tomorrow, rose 5 to 90p, while **Lex Service**, 108p, and **Jessups**, 33p, added 3 apiece. **York Trailer**, which announced a full-year loss and omitted the final dividend last Thursday, responded to recovery hopes and closed 2 dearer at 17p. Components traded quietly and without distinction, although **Flight Refuelling**, due to report preliminary results tomorrow, firmed 4 more to 377p.

Properties edged forward in thin trading, **Land Securities** closing 6 dearer at 422p and **MEPC** 4 firmer at 242p. Interest was shown in **Slough Estates** which also improved 4, to 148p. Elsewhere, **Swire Properties** gained 6 to 133p on Far-Eastern influences.

Oils give ground

Sheikh Yamani's statement *that Saudi Arabia will not* reduce its oil production in order to relieve the current glut in oil supplies prompted a marked turnround in the Oil sector. Lack of support and *occasional* offerings left **BP** down 8 at 392p and **Tricentrol** 12 off at 256p while, in the more speculative exploration issues, **Berkeley** gave up 10 to 295p and **Candecca** 6 to 187p.

Standing a shade firmer ahead of the announcement, **Tozer, Kemsley and Millbourn** closed 8 down at 55p on the substantially reduced annual profits and dividend. **Boustead**, on the other hand, recovered from an earlier 153p to close unchanged on bal*ance at 160p following fall in* profits, the maintained dividend and the encouraging statement on trading conditions.

Trusts made further headway as quotations caught up with last Thursday's overall advance in equities. Capital issues to make progress included **M and G**, *257p, and* **City and Commercial**, 298p, up 8 apiece. Elsewhere, **Estate Duties** improved 2 to 89p following the annual figures and proposed scrip issue.

Selected secondary Textiles attracted useful support and gains range dto 6. **Lister**, 49p, and **Textured Jersey**, 102p, both added that amount, *while* **Hicking Pentecost** closed 5 higher at 82p. Among smaller-priced issues, **Caird (Dundee)**, 13p, and **George Spencer**, 29p added 3 apiece, while **British Mohair Spinners** revived with a gain of 2½ to 44½p. Press comment helped **Nova Jersey**, 3 up at 74p.

Rothmans International succumbed to profit-taking in the *absence of news of the talks with* R. J. Reynolds and fell 9 to 77p.

Plantations often recorded double-figure gains reflecting *Far-Eastern advances.* **Consolidated Plantations** rose 7 to 61p, while the Warrants jumped 27 to 167. **Highlands and Lowlands** advanced 12 to 83p, and **Kuala Lumpur Kepong** 17 to 143p.

West Dries. advance

An otherwise subdued mining market was considerably enlivened by the announcement of the proposed merger of **East Driefontein** and **West Driefontein** *and the acquisition by the* two companies of the mining lease over North Driefontein.

The terms of the merger encouraged a flurry of buying interest in **West Driefontein**, which jumped from £33¾ to close a net £2¾ higher at £37, while **East Driefontein**, the subject of *Johannesburg* buying in early trading, gained ½ to £13¾, after £13¾.

GFSA, the South African parent, attracted good support and closed £3¾ stronger at £35¼, but **Consolidated Gold Fields**, which has a 46 per cent interest in GFSA, reflected the decline in UK equities and dipped 3 to 472p.

Other *gold* shares *generally* registered minor gains sustained by the steady performance of the bullion price—finally $2 higher at $484.5 an ounce. The Gold Mines index improved for the fourth successive trading day and showed a rise of 5.1 to 358.9.

In the medium and lower-priced Golds, **Harmony** dipped 15 to 774p ahead of the quarterly *results. In front of the terms of* the respective rights issues, **Elandsrand** put on 10 to 300p and **South African Land** 13 to 296p.

Elsewhere in South Africans, Press comment lifted **Cons. Murchison** 20 to a year's high of 260p.

FINANCIAL TIMES STOCK INDICES

	Apr. 21	Apr. 16	Apr. 15	Apr. 14	Apr. 13	Apr. 10	A year ago
Government Secs.	69.44	69.23	69.23	69.25	69.10	69.68	66.63
Fixed Interest	71.15	71.10	71.13	71.10	71.08	71.17	67.23
Industrial Ord.	566.1	568.5	549.1	546.8	546.6	551.3	434.3
Gold Mines	358.9	353.8	342.9	341.4	328.3	335.5	287.2
Ord. Div. Yield	5.61	5.78	5.98	5.97	5.99	5.96	6.10
Earnings, Yld. %(full)	11.34	11.28	11.62	11.61	11.61	11.56	19.90
P/E Ratio (net) (*)	11.04	11.09	10.78	10.79	10.79	10.85	6.11
Total bargains	22,920	21,400	21,074	22,750	27,147	25,600	15,748
Equity turnover £m.	—	159.14	120.99	117.07	138.64	179.21	75.91
Equity bargains	—	17,053	14,399	15,517	18,547	20,935	11,525

10 am 571.0. 11 am 567.2. Noon 565.0. 1 pm 564.6.
2 pm 564.4. 3 pm 564.6.
Latest Index 01-246 8026.
*Nil=10.22.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	68.05 (16/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	568.5 (16/4)	446.0 (14/1)	568.5 (16/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (15/1)	281.4 (28/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 16	Apr. 15
—Daily		
Gilt Edged Bargains	179.9	187.5
Equities Bargains	110.5	93.3
Value	321.7	244.5
5-day Avrge.		
Gilt Edged Bargains	189.1	188.4
Equities Bargains	112.0	120.2
Value	289.0	312.7

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (348)

BRITISH FUNDS (5)
CORPORATION LOANS (1)
AMERICANS (16)
CANADIANS (4)
BANKS (3)
BEERS (4)
BUILDINGS (16)
CHEMICALS (7)
DRAPERY & STORES (11)
ELECTRICALS (12)
ENGINEERING (24)
FOODS (4)
HOTELS (1)
INDUSTRIALS (47)
INSURANCE (4)
LEISURE (3)
MOTORS (9)
NEWSPAPERS (2)
PAPER (5)
PROPERTY (7)
SHIPPING (3)
SOUTH AFRICANS (1)
TEXTILES (17)
TRUSTS (125)
OIL & GAS (3)
OVERSEAS TRADERS (1)
RUBBERS (6)
TEAS (1)
MINES (6)

NEW LOWS (12)

AMERICANS (2)
Conoco Damson Oil
BANKS (1)
Standard Chartered
INDUSTRIALS (2)
Gieves Group Scotcros
LEISURE (1)
Glasgow Pavilion
OIL & GAS (3)
Hansa Petroleum Ranger Oil
Hunting Petroleum
OVERSEAS TRADERS (1)
Australian Agric.
RUBBERS (1)
Rightwise
MINES (1)
Falcon

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	81	2	14
Corpns. Dom. and Foreign Bonds	5	4	58
Industrials	384	187	796
Fin. and Props.	237	48	209
Oils	13	39	26
Plantations	10	1	12
Mines	60	26	90
Others	70	40	50
Totals	860	347	1,245

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	275	−9	Marchwiel	144	+15
British Aerospace	214	−7	Plessey	324	−3
British Dredging	37	+9	Rothmans Intl.	77	−9
East Driefontein	£13¾	+0½	Vickers	178	−3
English China Clays	127	+5	West Driefontein	£37	+2¾
GEC	700	−2	Westland	144	−6

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 6	Apr. 17	July 9	July 20
Apr. 21	May 1	July 23	Aug. 3
May 11	May 22	Aug. 6	Aug. 17

For rate indications see end of Share Information Service

Stocks favoured for the call included Rothmans International, RTZ, Bardsey, ICI, GKN, BSG, Southern Pacific Petroleum, Newman Industries, Charterhall, Charterhouse, Howard Machinery, Turner and Newall, Lesney, Smith Bros., Westward Dawes, Hestair, Phicom, Tubes, Intervision, Associated Communications, Transport Development and T. Cowie. Puts were taken out in Lesney, Turner and Newall, Rothmans and Lucas, while a double was arranged in ICI.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p:	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
‖	F.P.	—	£196⅛	£161¼	Amdahl	£195⅛	+⅛	Q40c	—	0.9	—
‖	F.P.	—	300	245	✠Atlantic Res.	250	−5	—	—	—	—
150	F.P.	[illegible]	224	170	British Aerospace 50p	214	−7	b7.8	2.0	5.2	15.7

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., April 21, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur., April 16 Index No.	Wed., April 15 Index No.	Tues., April 14 Index No.	Mon., April 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	357.14	−0.1	10.80	4.46	11.42	357.61	348.37	348.69	348.65	238.29
2	Building Materials (25)	313.86	+0.3	14.12	5.56	8.55	312.95	307.06	307.94	308.53	236.45
3	*Contracting, Construction (28)*	*591.89*	*+1.1*	*15.89*	*4.57*	*7.50*	*585.45*	*577.20*	*576.88*	*576.62*	*356.23*
4	Electricals (28)	1112.29	−0.3	7.84	2.39	15.83	1115.63	1080.84	1085.25	1093.27	622.07
5	Engineering Contractors (11)	478.22	+0.2	13.20	5.41	9.35	477.12	475.97	478.01	474.48	285.27
6	Mechanical Engineering (70)	219.60	−0.7	12.65	5.59	9.97	221.07	216.19	216.27	213.87	158.92
8	Metals and Metal Forming (13)	172.69	−1.3	9.76	7.53	13.47	174.92	170.22	170.63	168.81	162.96
9	Motors (21)	107.01	+0.7	8.87	7.78	15.18	106.25	102.62	101.70	100.90	102.55
10	Other Industrial Materials (18)	387.74	+0.2	10.63	5.30	11.22	386.96	374.24	371.82	371.07	0.00
21	CONSUMER GROUP (196)	277.57	−0.1	13.38	5.64	9.07	277.90	272.25	272.59	272.61	216.77
22	Brewers and Distillers (20)	300.37	−0.2	15.44	6.10	7.69	301.06	292.33	293.22	293.34	267.87
25	Food Manufacturing (21)	256.25	—	15.51	6.16	7.66	256.16	251.76	252.25	251.96	192.93
26	*Food Retailing (14)*	532.76	−0.3	8.47	3.03	13.94	534.58	531.79	534.20	538.09	302.11
27	Health and Household Products (7)	301.42	−1.0	9.07	4.76	13.08	304.56	294.54	296.48	295.38	187.93
29	Leisure (22)	434.86	+0.2	11.72	5.16	10.32	433.99	426.86	424.18	420.74	290.92
32	Newspapers, Publishing (12)	492.88	+0.2	17.04	6.00	7.76	491.85	488.21	486.01	488.59	417.13
33	Packaging and Paper (14)	155.47	−0.3	18.07	7.42	6.47	155.92	152.34	153.03	153.00	130.24
34	Stores (44)	272.32	+0.4	10.91	4.63	12.00	271.18	265.98	266.63	267.91	213.88
35	Textiles (22)	164.98	+0.5	13.19	7.87	10.28	164.15	159.78	158.48	158.19	121.55
36	Tobaccos (3)	232.06	−1.6	24.49	10.03	4.66	235.74	232.27	231.02	229.17	204.05
39	Other Consumer (17)	293.38	—	8.70	6.54	14.33	293.28	290.07	286.32	283.54	0.00
41	*OTHER GROUPS (78)*	*237.88*	*+0.5*	*13.10*	*6.35*	*9.41*	*236.69*	*231.30*	*230.75*	*230.31*	*198.73*
42	Chemicals (15)	293.25	+1.0	10.99	7.09	11.54	290.48	277.52	277.56	276.63	294.74
44	Office Equipment (6)	125.60	+0.5	14.82	6.61	8.00	124.92	122.46	121.49	120.63	109.11
45	Shipping and Transport (13)	636.81	+0.2	13.37	5.83	8.93	635.75	633.75	626.20	622.37	467.95
46	Miscellaneous (44)	297.21	+0.1	14.96	5.64	8.22	296.91	295.00	295.05	295.89	240.80
49	*INDUSTRIAL GROUP (488)*	299.27	—	12.35	5.28	9.90	299.40	292.59	292.78	292.70	224.48
51	Oils (12)	821.25	−1.6	21.86	6.86	5.12	834.33	793.48	795.64	787.26	715.35
59	500 SHARE INDEX	340.96	−0.3	14.09	5.57	8.46	342.07	332.63	332.97	332.27	263.42
61	FINANCIAL GROUP (118)	259.96	+0.1	—	5.42	—	259.68	255.10	256.62	257.85	197.61
62	Banks (6)	254.03	−0.3	36.43	7.12	3.20	254.89	248.72	250.07	249.84	212.58
63	Discount Houses (10)	300.64	−0.3	—	6.16	—	301.56	301.40	301.39	302.20	232.54
64	Hire Purchase (4)	267.16	−0.5	8.42	4.64	16.42	268.40	268.40	270.81	271.15	200.68
65	Insurance (Life) (10)	268.40	−0.2	—	5.57	—	268.92	264.04	266.17	266.07	179.49
66	Insurance (Composite) (9)	167.70	−0.3	—	7.32	—	168.28	163.62	166.01	167.77	125.02
67	*Insurance Brokers (8)*	*374.51*	*+0.7*	*12.16*	*6.15*	*11.15*	*371.84*	*365.89*	*358.55*	*359.03*	*296.48*
68	Merchant Banks (13)	158.43	+0.1	—	4.95	—	158.34	158.14	158.34	156.85	104.20
69	Property (48)	506.32	+1.0	2.99	2.49	46.13	501.31	494.80	497.21	501.77	387.97
70	Miscellaneous (10)	170.24	−0.4	18.45	6.08	6.59	171.00	170.63	171.18	173.48	127.61
71	Investment Trusts (109)	312.59	+1.1	—	4.93	—	309.15	304.74	304.85	304.43	212.08
81	Mining Finance (3)	238.63	−0.2	14.14	5.62	8.21	239.22	233.12	232.03	233.52	183.56
91	Overseas Traders (20)	471.54	+0.2	11.41	6.26	10.74	470.76	465.88	466.45	467.88	386.26
99	ALL-SHARE INDEX (750)	323.68	−0.1	—	5.52	—	324.15	316.20	316.75	316.60	247.57

FIXED INTEREST PRICE INDICES

	British Government	Tues., April 21	Day's change %	Thur., April 16	xd adj. today	xd adj. 1981 to date
1	5 years	108.51	+0.09	108.42	—	3.75
2	5-15 years	111.55	+0.37	111.13	—	3.86
3	Over 15 years	115.04	+0.36	114.63	—	4.65
4	*Irredeemables*	*128.90*	*+0.33*	*128.47*	—	*1.78*
5	All stocks	111.45	+0.28	111.14	—	4.02
6	Debentures & Loans	87.71	+0.19	87.55	—	3.66
7	Preference	67.84	−0.13	67.93	—	2.88

FIXED INTEREST YIELDS (British Govt. Av. Gross Red.)

			Tues., April 21	Thur., April 16	Year ago (approx.)
1	Low Coupons	5 years	11.55	11.61	12.62
2		15 years	12.12	12.17	12.43
3		25 years	12.23	12.26	12.43
4	Medium Coupons	5 years	13.10	13.15	14.41
5		15 years	13.63	13.69	14.04
6		25 years	13.36	13.40	13.89
7	High Coupons	5 years	13.06	13.12	14.48
8		15 years	13.83	13.89	14.38
9		25 years	13.54	13.59	14.31
10	Irredeemables†		11.66	11.70	11.79
11	Debs & Loans	5 years	14.45	14.47	15.13
12		15 years	14.45	14.47	14.88
13		25 years	14.45	14.47	14.63
14	Preference†		14.44	14.42	15.80

† Flat yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.)† ... 96.2 96.3 — 14.00
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa ... DM32.00 33.70 +0.10 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. April 17 ... $4.64 4.87 +0.03 —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra ... DM16.83 17.25 +0.08 —
Int. Rentenfonds ... DM60.44 61.95 +0.31 —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV April 17 ... US$32.20 34.28 — —

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. ... 161.4 173.0 — 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* ... 64.6 68.80 — 7.27
E. A. Sterling* ... £67.98 68.02 — —
E. A. Equity* ... £70.71 75.23 — 1.66
Wardgate Cm. Fd.** ... £16.77 17.66 — 2.95
*Next dealing April 22. **Next dealing April 30.

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curaçao.
London Agents: Intel 15 Christopher St., EC2.
Tel: 01-247 7243. Telex 8814408.
Euro Hldgs ... US$19.77 20.36 — 9.20

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall, EC2M 5TA. Tel. 01-920 0776 Telex 887281
Europe-Obligations ... US$42.75 +0.14 1.89

F & C Mgmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4. 01-623 4680
Centenary Fd. ... US$12.07 −0.09 1.16
F. & C. Oriental Fd. ... US$23.30 −0.52 —
Prices April 15. Weekly dealings.

Fidelity International Ltd.
P.O. Box 670, Hamilton, Bermuda.
8, Queensway Hse., Queen St., St. Helier, Jersey, C.I. 0534 71696
American Assets ... US$4.91 — 1.145
Am. Vals. Cum. Pf. 53* ... $101.00 — —
American Vals. Com.* ... $19.03 — —
Dollar Savings Trust ... US$78.39 +0.19 14.08
Far East ... US$32.78 −0.24 —
International ... US$45.69 −0.63 —
Pacific ... US$109.40 — —
World ... US$25.86 −0.02 —
Gilt Fund ... 24.1 24.3 +0.1 12.36
*Prices at April 1.

First Viking Commodity Trusts
10-12 St. George's St., Douglas, IoM. 0624 25015
Fst. Vik. Cm. Tst. ... 25.5 26.9 — 6.10

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming April 21 ... US$68.66 −2.67 —

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins ... DM37.46 40.94 +0.07 —
Frankft. Effekt. Fd. ... DM53.31 56.12 +0.09 —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV March 31 ... US$151.12 — —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:
Anchor 'B' Units ... US$1.86 1.92 — 1.13
Anchor Gilt Edge ... £9.10 9.17 +0.03 13.85
Anchor Int. Fd. ... US$9.09 9.33 — 1.13
Anchor In. Jsy. Tst. ... 45.0 48.1 — 2.49
Berry Pac Fd. ... US$62.91 — 0.80
Berry Pac Strlg. ... £3.58 2.7440 — 1.11

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	60.6	65.2	+0.7	2.22
Abbey Capital	52.2	56.4xd	+0.3	3.90
Abbey General	59.7	64.5	+0.1	4.76
Abbey Gilt & F.I. Tst.	106.4	112.0xd	+0.3	11.70
Abbey Income	39.2	42.4xd	+0.4	8.28
Abbey W'w.Bd.Tst.	95.9	101.5	−0.1	6.60
Abbey Inv. Tst. Fd.	54.0	58.4	+0.8	4.11
Equitas Prog. Tst.	86.3	93.3	+0.7	4.38

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	87.0	91.6	+0.3	12.65

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st.	96.7	103.5	+0.9	5.41
Brit. Inds. Fund	84.0	89.9	+0.3	5.67
Growth & Income	55.3	59.2	+0.5	4.56
Elect. & Ind. Dev.	48.2	51.6xd	+0.4	4.84
Allied Capital	103.1	110.3xd	+0.4	3.99
Hambro Fund	142.6	152.6	+1.2	5.45
Hambro Acc. Fund	194.0	207.6	+1.7	4.98

Income Funds

High Yield Fd.	71.8	76.8	+0.8	7.81
High Income	86.3	92.3xd	+0.7	7.01
Equity Income Fd.	49.8	53.3	+0.4	6.87
Govt. Secs.	26.1	26.8	+0.1	11.57

International Funds

International	37.1	39.7	+0.3	2.02

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	44.8	48.3	+0.8	0.52
Cres. Internat'l.	86.5	93.4	+0.6	1.67
Cres. High. Dist.	48.4	52.2	+0.5	9.10
Cres. Reserves	53.8	58.1	+0.5	5.06
Cres. Tokyo	34.6	37.3	+0.3	0.98

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.6	25.0xd	—	8.70

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. April 9	252.6	269.4	—	4.83

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	19.8	21.9	—	6.45
Gt. Winchester O'seas	29.3	32.6	—	3.26

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	94.6	99.5xd	+0.3	4.36

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American (z)	40.7	43.8	+0.8	0.58
Ameri.Spec.Sits. (z)	29.5	31.8	+0.6	0.45
Gilt + Fixed Int.	25.1	26.3xd	+0.1	11.92
Growth + Income	35.5	38.2	+0.4	6.26
Maximum Inc. Eq. Tst.	29.9	32.2	+0.3	8.39
Special Sits.	43.6	46.9	+0.7	1.63

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l.	40.6	43.4xd	—	1.73

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.3
23	14	ACM 20c	20	......	—	—	—
21	14	Argosy Gold NL 25c	17	+1	—	—	—
212	137	Bond Corp.	196	+4	Q7½c	1.9	2.0
102	76	Bougainville I Kina	88	+3	Q26.2c	1.0	15.5
302	214	CRA 50c	258	+6	Q19c	1.7	3.8
25	17½	Canada Northwest	21	......	—	—	—
35	17	Carr Boyd 20c	20	......	—	—	—
415	105	Central Pacific	115	+5	—	—	—
35	35	Cons. Gold Min. N.L. 50c	35	......	—	—	—
47	39	Cultus Pacific N.L.	41	......	—	—	—
32	22	Eagle Corp. 10c	29	......	—	—	—
40	32	Endeavour 20c	35	......	—	—	—
500	310	G. M. Kalgoorlie 25c	370	......	†Q13c	ϕ	1.8
25	13	Great Eastern	13	......	—	—	—
275	195	Hampton Areas 10p	195	−5	t2.5	2.4	1.8
168	84	Haoma Gold N.L.	84	......	—	—	—
85	45	Intl. Mining	50	......	—	—	—
245	140	Kitchener NL 25c	160	......	—	—	—
105	45	Leichardt Expln.	55	......	—	—	—
430	275	Meekatharra	320	......	—	—	—
70	49	Metals Ex. 50c	64	−2	§Q5c	2.9	2.4
34	20	Metramar Mins. 20cts.	34	......	—	—	—
267	190	M.I.M. Hldgs. 50c	252	+6	‡Q7.ic	1.7	‡
21	11½	Minefields Expl. 25c.	14	−1	—	—	—
108	83	Mount Lyell 25c	100	......	‡†Q15c	1.7	7.8
20	14	Newmetal 20c	14	......	—	—	—
69	41	Nickelore N.L.	46	+1	—	—	—
204	149	North B. Hill 50c.	168	+2	Q18c	3.1	5.6
84	50	Nth. Kalgurli	64	−1	—	—	—
175	94	Nth. Mining Corp.	170	−5	—	—	—
122	50	N. West Mining N.L.	54	......	—	—	—
148	106	Oakbridge 50c	144	−4	tQ12c	1.1	4.3
185	138	Oilmin N. L.	150	......	—	—	—
186	164	Pacific Copper	170	......	—	—	—
605	475	Pancont'l 25c	550	......	—	—	—
70	42	Paringa M&Ex.5p	62	......	—	—	—
525	375	Peko-Wallsend 50c.	505	......	‡Q22½c	ϕ	2.3
42	27	Pelsart Res NL	36	......	—	—	—
120	85	Seltrust A.	120	......	—	—	—
157	42	Southern Pacific	50	+2	—	—	—
72	43	Swan Resources 20c.	43	......	—	—	—
18	11½	West Coast 25c	11½	−1	—	—	—
300	227	Westn. Mining 50c.	297	+5	Q14c	1.6	2.4
27	19	Westmex	21	......	—	—	—
76	50	Whim Creek 20c	54	......	—	—	—
101	73	York Resources	84	......	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	10	Amal Nigeria 1p	11	......	‡6.0	—	—
300	255	Ayer Hitam $M1	255	......	‡Q205c	1.0	‡
67	54	Beralt Tin	59	......	4.5	3.2	10.9
155	130	Geevor	130	......	‡8.4	1.9	‡
10	8	Gold & Base 12½p	10	......	—	—	—
660	580	Gopeng Cons.	580	......	30.0	1.8	7.4
450	390	Hongkong	390	......	21.0	ϕ	7.7
125	115	Idris 10p	118	......	26.0	ϕ	7.3
15	13	Jantar 12½p	15	......	1.5	ϕ	14.3
98	87	Kamunting $M0.50.	67	......	‡Q80c	1.0	‡
770	545	Killinghall $M1	770	......	Q100c	ϕ	2.5
114	88	Malay Dredging 10c	114#	......	‡†Q38c	0.9	6.4
55	30	Pahang	55	......	0.44	0.3	1.1
103	95	Pengkalen 10p	95	......	3.5	0.6	5.3
380	350	Petaling $M1	365	......	Q180c	ϕ	9.7
24	19	South Crofty 10p	22	+1	‡1.0	ϕ	‡
225	200	Sungei Besi $M1	205	......	‡Q480c	1.1	‡
150	95	Supreme Corp. $M1	150	+2	§Q15½c	ϕ	2.0
118	116½	Tanjong 15p	117	......	21.5	ϕ	1.9
90	80	Tongkah H. Tin I$m	80	......	Q23%	0.4	5.7
410	350	Tronoh $M1	360	......	‡Q250c	0.7	‡

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
295	165	Messina R0.50	285	−1	Q45c	4.7	9.0

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	142	Anglo-Dominion	165	......	—	—	—
55	40	Barymin	46	+1	—	—	—
16	14	Burma Mines 10p	16	+1½	0.75	ϕ	6.7
315	180	Colby Res. Corp.	230	......	—	—	—
260	200	Cons. Murch. 10c.	260	+20	tQ30c	1.8	6.6
98	75	††Hemerdon 10c.	87	......	—	—	—
180	135	Highwood Res.	150	......	—	—	—
400	300	Northgate C$1	360	+25	—	—	—
487	372	R.T.Z.	475	......	16.0	q3.1	4.9
£111½	£93½	Do.9½%Cnv.Ln.95-2000	£111	+1	Q9½%	—	f7.2
143	118	††SPO Minerals 10p	118	......	—	—	—
47	33	Sabina Inds. C$1	40	+5	—	—	—
38	28	††SWCM 10p	32	......	—	—	—
550	465	Tara Exptn. $1	510	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ∮ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	42	......			
Bertam	14	......	Conv. 9% '80/82	£93⅞	......
Bdg'wtr. Est. 50p	580	......	Nat. 9¼% 84/89	£75¼	......
Craig & Rose £1	£11¼	......	Fin. 13% 97/02	£80½	......
Fife Forge	58	+2	Alliance Gas	75	......
Finlay Pkg. 5p	22	......	Arnott	245	......
Graig Ship. £1	£21	+½	Carroll (P.J.)	85	......
Higsons Brew	73	......	Concrete Prods.	94	......
Holt (Jos) 25p	420	......	Helton (Hldgs.)	27	......
I.O.M. Stm. £1	158	+3	Ins. Corp.	395	......
Pearce (C. H.)	950	......	Irish Ropes	52	......
Peel Hldgs.	100	......	Jacob	47xd	......
Sheff. Refrshmt	107	......	T.M.G.	22½	......
Sindall (Wm.)	170	−5	Unidare	88	......

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	15
BOC Intl.	11	"Imps"	7	Woolworths	5
B.S.R.	4½	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	15	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lofs"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	14	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¼
Brown (J.)	7	Mrks. & Spncr	9		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	7	Brit. Petroleum	36
Courtaulds	6	Nat. West. Bank	32	Burmah Oil	16
Debenhams	8	P & O Dfd.	13	Charterhall	9
Distillers	17	Plessey	30	KCA	22
Dunlop	7½	Racal Elect.	34	Premier	10
Eagle Star	22	R.H.M.	5	Shell	34
F.N.F.C.	3½	Rank Org. Ord.	18	Tricentrol	30
Gen. Accident	30	Reed Intnl.	20	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	14	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	44	Trust Houses	18	Cons. Gold	45
Guardian	32	Tube Invest.	18	Lonrho	9
G.K.N.	16	Turner & Newall	10	Rio T. Zinc	45
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Wednesday April 22 1981

Bank settles $21m credits dispute

BY ROSEMARY BURR

THE BANK of England has intervened to end a six-year legal wrangle between a consortium of 11 banks—led by the UK accepting house, Singer and Friedlander—and the Austrian bank, Creditanstalt Bankverien. The dispute is over the latter's alleged liability to pay the consortium $20.6m said to be owing under the terms of three letters of credit.

The two sides have agreed to halt legal proceedings in the Austrian courts and to share liability, each party bearing its own legal costs.

At the centre of the dispute were three irrevocable letters of credit issued by the Austrian bank in favour of one of its customers, who subsequently sold his rights under the letters for cash to Singer and Friedlander, which in turn sold participations in the letters to ten other international banks.

When banks provide letters of credit to customers who seek to finance the purchase of goods, an undertaking is given to pay a certain sum at a fixed time, *subject to certain conditions* which normally include the presentation of documents such as invoices and delivery orders.

In this case, however, the Austrian bank's customer never completed the transaction which formed the basis for the letters of credit. When Singer and Friedlander, on behalf of the consortium, approached Creditanstalt for payment, the Austrian bank refused.

Soon after this refusal, the Bank of England approached both parties informally to suggest a settlement without going to court. Neither side, however, was prepared to compromise.

Singer and Friedlander said yesterday that at the start "the syndicate felt that legally, morally and on the basis of normal banking behaviour, we were entitled to 100 per cent, and that the matter should proceed through the courts."

This attitude softened in August after the decision of the Vienna commercial court to uphold Creditanstalt Bankverein's refusal to pay the syndicate. The decision coincided with the opening that month of the Austrian bank's first branch in London.

The Viennese court's decision astonished the consortium which vainly attempted to shift the proceedings into the UK courts. At this stage the Bank of England's attempt at gentle persuasion began to bear fruit, and several meetings between the parties took place at the Bank last year.

In January, the parties received a message from the Bank outlining grounds for a settlement on the basis that litigation cease and the parties share the liability under the letters of credit, with each side covering its own legal costs. After further talks, the Bank's formula was accepted by both sides.

Both sides have expressed their "appreciation of the assistance given by the Bank" which has emphasised that it had simply wanted to see an end to a troublesome and long-running dispute that was adversely affecting the smooth running of markets under its auspices.

Industry's cash position improves

By Peter Riddell, Economics Correspondent

INDUSTRY has succeeded in improving its overall financial *position during the recession* despite the tight squeeze on profits.

This improvement has been caused by the sharp cut in its holdings of stocks of materials, work in progress and finished *goods*.

Central Statistical Office figures published yesterday show that the amount industrial and commercial companies had to borrow, mainly from banks, fell sharply in the second half of last year.

The net borrowing requirement of these companies, best measure of their cash position, was £680m in the second half compared with £4.1bn in the previous six months and £5.44bn in 1979.

Additional borrowing from banks was £2.5bn, compared with £4.1bn previously, and there was a big rise in holdings of liquid assets.

These figures present the overall picture. There were big variations between companies able to pass on financial pressures and others unable to cut stocks.

This improvement occurred at a time when the recession was deepening rapidly. The ex*planation is that a sharp fall* in income was counterbalanced by exceptionally large de-stocking, which accelerated towards the end of the year.

Undistributed income (profits less dividends and taxes) of *industrial* and commercial companies was £4.9bn in the second half of 1980, roughly 40 per cent lower than in the previous half, and the lowest figure since mid-1975.

The fall in inflation rate resulted in a marked decline in the amount required for increase in value of stocks. The physical level of stocks dropped by £2.8bn in the second half of 1980, when fixed capital formation rose slightly.

The overall result was that financial deficit of industrial and commercial companies fell from £1.6bn to £1.1bn from the firs to the second half of 1980. This compares with £4.4bn in the whole of 1979.

The difference between this figure and the net borrowing requirement can be explained by movements in trade and other credit, notably transactions involving the British National Oil Corporation, and by investment abroad.

THE LEX COLUMN

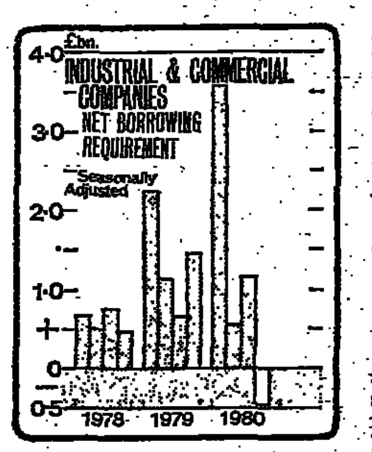
Amex plays a new card

American Express's claim to be a friend of the banks, and certainly not a competitor in retail deposit-taking, will need to be looked at more carefully after its proposed $840m acquisition of Shearson Loeb Rhoades, the Wall Street brokerage house. Like several other brokers, Shearson is now running a cash management service for individuals throughout the U.S. *This could very* easily be linked to American Express's unparalleled card member lists, on the same lines as the Merrill Lynch cash management/credit card service. Such services have already attracted billions of dollars of retail funds, causing increasing strain to banks which are prohibited by law from paying more than a portion of the interest raes which investors can obtain on money market funds. This deal will encourage U.S. banks to press still harder for relaxation of U.S. banking regulations.

The Shearson deal can also be seen in the light of a series of strategic acquisitions by American Express over the past few years in areas such as card processing, data communications, and home banking. It is now arguably the best-placed organisation in the world to capitalise on consumer banking opportunities in the '80s. It may seem odd, therefore, that some European banks, such as Lloyds, are entering into joint ventures with American Express to sell a new Gold Card.

American Express is capitalised at around $3bn, and will increase its issued share capital by 29 per cent as a result of the agreed acquisition.

Index fell 2.4 to 566.1



W. H. Smith

W. H. Smith's figures for the year to January *show* a strong performance by the principal businesses undermined by problems in fringe activities. Pre-tax problems before property gains come out at £14.5m against £18.0m, but the figures have been struck after £3½m of stock write-downs in the troubled book publishing division. A further £1m of extraordinary costs relates to Smith's closures in book wholesaling and the Craft-Smith business.

The wholesaling division more than doubled its profits, with relative freedom from disputes in newspaper publication and a substantial increase in cover prices. Trading profits on the basic retail side were 4 per cent ahead, after a shift in the sales mix towards higher margin items partly offset by a volume foll of around 1 per cent *ignoring new selling space.*

Against this success stand a decline in earnings from the new D-I-Y side and losses of more than £3m (before the stock write-down) in publishing. The stock item should be non-recurring, *however,* and there must be scope for more profitable trading in publishing this year.

Smith evidently feels that profits will be back on the right *track,* for the final dividend has *been* pushed up to give a 10 per cent increase for the year as a whole. The payout is 1¼ times covered by current cost earnings, and the "A" shares look soundly enough based at 158p, unchanged yesterday, on *a yield* of 4½ per cent.

British Aerospace

A 7p drop in the British Aerospace share price yesterday to 214p reflected profit *taking after the recent rise rather* than any dissatisfaction with the 1980 results, which at £52.8m pre-tax turn out to be be very close to the £52m foreshadowed in the prospectus. The shares have shown considerable *strength* since the offer for sale. Not only did they open on February 20 at a premium of 25p over the offer price, but since then they have outperformed the 30-Share Index by around 5 per cent.

The persistent strength has been derived from efforts by institutional investors to gain exposure to what is seen as a key industrial sector of the next decade. Other opportunities to invest in aviation and defence in the UK are few, and in the circumstances they are not too fussy about the yield and p/e ratio they can obtain. A yield of 5.2 per cent is certainly a lot better than is available on GEC or Dowty, for example.

Whether the earnings quality *matches that of* these and other highly-rated equities is another matter. Current cost profits for 1980 emerge as only £3.3m because of very heavy adjustments for the impact of inflation on the group's large inventories. But this effect was also forecast in the prospectus, and lower inflation (especially in labour costs) should allow much better CCA figures for 1981.

Currys

Currys has been a shooting star of the retail sector, with a share price rising to 2½ times the 1980 low of 153p. *The market seem to have accepted the company's heady projections of medium term growth, and yesterday's 20 per cent boost to the dividend* helped push up the price a further 20p to 383p, where the yield is a touch below 3½ per cent. Performance so far is more mundane, with pre-tax profits only 3 per cent higher at £12.3m.

Adjusting for both a change in the timing of wage awards and an extra pensions contribution, trading profits have fallen by 4 per cent in spite of a gain in volume and market share, a *better* sales mix and *higher* gross margins. In the current year the sales mix has stopped changing and demand has slackened. At the same time an increase in capital expenditure on TV rental from £4m to about £15m should dispose of the company's traditional net cash balance, of perhaps £13m at the year end.

The key to it all is video recorders, whether at the moment the company is only dabbling. Currys has a splendid High Street presence, but the critics argue that software backup could become critical to video rental market penetration, and the company simply does not have sufficient selling space to compete in these terms.

Company sector

The figure for the net borrowing requirement of industrial and commercial companies in the final quarter of 1980, indicating an actual net repayment of debt of £0.45bn, underlines the effectiveness of the company sector's massive destocking effort which more than offset the slump in retained profits. But the challenge for 1981 is that the same trick cannot be used twice.

Earnings halved at Dow Chemical

By Paul Betts in New York

THE FIRST quarter earnings of Dow Chemical, the large U.S. chemicals group, were nearly halved to $129m (£59.6m) compared with $231m in the same period last year.

This reflected soft demand in key chemical markets which prevented the prices from keeping pace with increasing costs.

The group's first quarter sales increased by a modest amount to $2.9bn compared with $2.81bn in the same period the year before.

Dow was hit particularly hard by poor demand in major European markets, Japan and in the U.S. auto and construction industries.

Mr. Paul Oreffice, Dow's president, said prices overall increased by 3 per cent compared with the first quarter last year, but volume was flat and plant operating rates lower. Manufacturing cost increases substantially exceeded selling price gains, he said.

Although the first quarter of 1980 was unusually strong and the company did not expect to match it this year. Mr. Oreffice said: "Business conditions, especially in Europe, did not meet our expectations and we have some catching up to do."

Dow Chemical Europe's earnings were off more than 30 cents a share in the first quarter, accounting for more than half of the decline in total earnings. Severe price competition and higher costs were among the causes.

In the U.S. and Canada, operations in the first quarter were hit by the weakness in the automobile and construction industries. These are *important markets for Dow's* vinyl chloride, Styrofoam brand plastic foam and other major products.

Kuwait will lend Iraq $2bn interest-free for war costs

BY PATRICK COCKBURN

KUWAIT WILL make a $2bn (£930m) interest-free loan to Iraq to help recovery from damage caused by the seven-month war with Iran and the reduction in Iraq's revenues after severe cuts in oil exports.

The loan was approved yesterday after a three-hour secret debate in the Kuwaiti Parliament. It lends weight to Gulf Press reports that Iraq will receive $14bn in subsidies from Saudi Arabia and other Gulf oil- producers.

Before the Iranian war Iraq had reserves estimated at $35bn, but her oil exports were cut from 3.2m barrels a day to below 500,000 b/d in the first six months of the war.

Reopening of the trans-Syrian oil pipeline will allow Baghdad to increase oil revenues, but they may be insufficient to pay for new military equipment and the ambitious development programme which the Iraqi Government has continued despite the war.

The Iraqi budget for 1981 estimates total expenditure at 19.75bn Iraqi dinars ($64bn), though some projects are being cut because of congestion on road routes into Iraq.

The Kuwaiti loan will be in six instalments, according to deputies in the Kuwaiti Parliament, with $500m to be paid this month and a further $300m in each of the next five months. The loan would be repaid in $200m instalments between 1983 and 1992.

Kuwait's reserves were estimated at $67bn at the beginning of this year, and the loan to Iraq will not impose financial strain on the State.

Loans by Kuwait, Saudi Arabia, the United Arab Emirates and Qatar to Iraq will inevitably anger Iranian leaders, but Iran has been wary of attacking any of Iraq's allies during the seven-month war.

BR freight plans anger hauliers

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

BRITISH RAIL is to launch a new service for the distribution of industrial and consumer goods.

It will be in direct competition with road hauliers and other lorry fleets which dominate this sector of Britain's £14bn freight transport business.

BR intends to launch the new service in partnership with private sector road freight operators and distributors, which would carry goods from rail depots.

It is hoping to win an initial 100,000 tonnes of new "distribution-related traffic" this year rising to 2.5m tonnes by 1990.

Until now, rail freight has been more concerned with the bulk movement of commodities or the transport of semi-finished goods, such as steel body panels for the motor industry. The distribution of finished products has been left largely to road hauliers and the lorries operated by industrial companies.

British Rail's plans are still at the development stage, but already it has identified more than 40 sites capable of being used as warehouse and distribution centres.

The warehouses would have to be "modern and automated," BR said in an appraisal of its strategy.

However, plans to attack markets traditionally dominated by road haulage were immediately criticisd yesterday.

The Road Haulage Association which represents 15,000 haulage companies, pointed to the already depressed freight market.

Competition at a time of rising costs and zero growth would only add to the pressures on haulage rates, the RHA said.

Hauliers are already operating at rates that do not cover their operating costs which have risen by 6.5 per cent in the first quarter of the year including the effect of the 20p a gallon increase in duty on diesel fuel in the Budget.

"We would be surprised if British Rail could compete effectively in the distribution market bearing in mind the extra links in the distribution chain, such as transport to rail head sidings, that would be required," the association said.

However, BR is determined to carry on. It aims to win the "new service credibly established in the market place and to win some worthwhile new business for the Speedlink network or high speed freight trains."

Details, Page 7

Rand gold mines plan to merge

By Kenneth Marston, Mining Editor

THE BIGGEST single gold mining operation in the world is planned for South Africa's Far West Rand with the merger of two of the country's richest gold mines and the extension of their workings into a new neighbouring lease area.

East Driefontein is to take over West Driefontein in a share exchange deal worth £1.7bn, the largest merger so far agreed in the world's mining *industry*.

The extension of the "supermine's" workings into the North Driefontein area will result in about 5.7m tonnes of ore being mined each year to produce more than 80 tonnes of gold. It will have a mining life of 50 years and provide annual revenue of more than £626m. There will be a workforce of 28,000 people.

The world's biggest gold producing mine is the Muruntau operation at Uzbekistan in the Soviet Union. This is believed to produce about 80 tonnes of gold a year, beating South Africa's Vaal Reefs mine which produced 70 tonnes of gold last year.

While the existing separate mines have low costs and are making good profits, it will be less costly for them to merge and extend into the new area than to open the latter as a separate mine.

West Driefontein, which is now past its best, has spare plant capacity which can be used for the North Driefontein operation. Needing less infrastructure than a separate mine, the latter will thus not require huge amounts of capital.

In London yesterday, the scheme was welcomed by the share market. The price of West Driefontein shares closed £2¾ up at £37, GFSA put on £3¾ to £35¼, but less enthusiasm was shown for East Driefontein shares which closed £1½ up at £13¾.

Details, Page 27

Banks face new threat of stoppage

By Nick Garnett, Labour Staff

THE COMPUTER CENTRES of at least three English clearing banks could be hit by new stoppages after yesterday's decision by data processing staff to support unspecified industrial action.

This further action by the Banking, Insurance and Finance Union would follow today's one-day stoppage by staff in High Street branches, computer and *other centres against* the banks' 10 per cent pay offer.

Union officials estimated last night that today's action, which will disrupt service to customers and could shut down some branches, might involve more than 10,000 staff in up to 1,200 offices, cash centres, and bank departments.

Data processing members of BIFU at National Westminster and at Lloyd's Sampson House computer centre in London have voted clearly in favour of action which would disrupt cheque clearing. The NatWest ballot is thought to have been about two to one in favour. A stoppage of more than two or three days would severely dislocate clearing.

Data processing staff at Midland Bank's computer centres are also being balloted this week on industrial action.

Following today's strike, a work to rule and overtime ban by about 8,000 BIFU members in branches across the country is due to begin tomorrow.

The banks have met to discuss their response. It is understood they have decided not to inflame the dispute by rapid or widespread suspensions.

They could, however, take a tougher line if the action proves effective or prolonged.

BIFU is also beginning this week a ballot of more than 70,000 of its members on the offer—which has been accepted by the rival Clearing Bank Union—and which the banks are implementing.

Attached to the ballot paper is a strong executive recommendation against the offer.

Continued from Page 1

Benn support

workers, who brought the underlying issue out in the open by crying to loud cheers "I'm for Tony Benn."

Mr. Fisher made it clear that his own initial reaction of distress over Mr. Benn's candidature had been based on a feeling that, if Mr. Benn lost, Left-wing policies would also be seen to lose.

Mr. Fisher said that NUPE would undertake a process of branch balloting to discover the views of its members. He was certain Mr. Benn would emerge favourite from this process even if other candidates entered the race.

The vote for deputy leader, the first to be conducted under the new electoral college in which the unions have 40 per cent of the vote, Labour MPs and constituency parties 30 per cent each, will be made just before the *Labour Party* conference in October.

Oil price

Continued from Page 1

Kuwaiti oil under two contracts —for 75,000 and 50,000 b/d respectively—while Gulf has a 75,000 b/d supply contract.

It is thought that a number of Japanese companies are awaiting the outcome of the negotiations. It is likely that they would be willing to sign new supply deals at the official Government price.

● Saudi Arabia's decision to lower the price of its war replacement oil was seen by some in the industry as a move to establish $34 a barrel as a compromise marker price for its reference crude, Arabian Light. At present, the Saudis sell the bulk of their crude at $32 a barrel although a price of $36 a barrel is used as a reference by other OPEC members.

The Saudi move follows the weekend statement by Sheikh Ahmed Zaki Yamani, its Oil Minister, that the Kingdom would continue to keep its output at the present high level of 10m to 10.3m b/d until other producers agreed to realign prices.

● In the spot market, prices continued to fall. Traders reported that the asking price of crudes similar to Arabian Light was $35.50 to $35.75 a barrel. Heavier Middle East crudes were valued at $33.50-$34 a barrel.

The price of top quality North Sea crudes was said to be $36.75-$37 a barrel. One trader doubted whether lesser quality North Sea crude oil would now sell for more than $36 a barrel (FOB)—as against the official $39.25 "marker" price for Forties Field crude.

The fall in the spot market prices of oil products has been even more pronounced. According to one major oil company, the price of crude oil, as reflected by the Rotterdam product prices, *had fallen* by over $3 a barrel during the past six weeks. The price of products now justified an Arabian Light crude oil price of only $34 a barrel, the company said.

Paul Betts adds from New York: Mobil, the second largest U.S. oil company, reported a 24 per cent drop in first quarter net earnings yesterday, reflecting the current weakness of downstream operations and the petroleum products market. Its earnings for the period totalled $640m on revenues of $17bn compared to record earnings of $846m on revenues of $15bn in the same period last year.

Weather

UK TODAY
Some sunshine, showers in eastern and central districts.

London, S.E. England, Midlands
Sunny intervals, scattered showers. Max. 9C (48F).

E., N.E. England
Showers, wintry on hills. Very cold. Max. 7C (45F).

S.W. England, S. Wales, Channel Is.
Rather cloudy, birght intervals. Max. 10C (50F).

N. Wales, N.W. England, W. Scotland, N. Ireland
Mainly dry, frost in places. Max. 8C (46F).

S. Scotland
Sunny intervals, scatered showers. Max. 9C (48F).

N. Scotland, Orkneys, Shetlands
Wintry showers, very cold. Max. 4C (39F).

Outlook
Sunny intervals and showers, heavy in places. Cold.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	F	18	64	Lisbon	S	14	57
Algiers	C	17	63	Locarno	F	14	57
Amsdm.	C	7	45	London	C	9	48
Athens	S	19	66	L. Ang.†	F	12	54
Bahrain	S	29	84	Luxmbg.	S	9	48
Barclna.	R	14	57	Luxor	F	40	104
Beirut	S	27	81	Madrid	F	11	52
Belfast	C	11	52	Majorca	C	17	63
Belgrd.	S	14	57	Malaga	R	12	54
Berlin	C	7	45	Malta	F	19	66
Biarritz	F	11	52	M'chstr.	C	9	48
Bmghm.	C	8	46	Melbne.	S	20	68
Blackpl.	F	11	52	Miami†	F	21	70
Bordx.	F	13	55	Milan	F	14	57
Boulgn.	C	6	43	Montrl.†	F	−6	21
Bristol	C	9	48	Moscow	C	8	46
Brussels	C	7	45	Munich	F	-10	50
Budpst.	C	12	54	Naples	S	19	66
Cairo	F	37	99	Nwcstl.	C	8	46
Cardiff	C	9	48	N. York†	F	2	36
Cas'b'ca	C	16	61	Nice	R	14	57
Cape T.	S	30	86	Nicosia	F	26	79
Chicg.†	C	0	32	Oporto	F	15	59
Cologne	R	7	45	Oslo	C	3	37
Cpnhgn.	F	8	46	Paris	F	11	52
Corfu	S	20	68	Perth	S	27	81
Denvert	F	7	45	Prague	S	12	54
Dublin	C	9	48	Rykjvk.	F	6	43
Dbrvnk.	S	16	61	Rhodes	F	20	68
Ednbgh.	S	11	52	Rome	S	19	66
Faro	F	17	63	Salzbrg.	F	10	50
Florence	C	14	57	S'ciscot	F	9	48
Frankft.	S	10	50	Singpr.	—	—	—
Funchal	C	16	61	Stckhm.	C	4	39
Geneva	S	13	55	Strasbg.	S	13	55
Gibrltr.	F	17	63	Sydney	S	23	73
Gl'sg'w	F	12	54	Tangier	C	17	63
G'rnsey	C	8	46	Tel Aviv	F	23	73
Helsinki	F	2	36	Tenerife	C	14	57
H. Kong	C	22	72	Tokyo	S	19	66
Innsbrk.	F	11	52	T'r'nto†	F	−4	25
Invrnss.	C	9	48	Tunis	S	20	68
I.o.Man	C	9	48	Valencia	C	10	50
Istanbul	S	16	61	Venice	F	12	54
Jersey	C	9	48	Vienna	F	12	54
Jo'burg	F	21	70	Warsaw	C	8	46
L. Plms.	C	19	66	Zurich	S	11	52

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

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